

2023 | Annual Report

Pakistan International Container Terminal Limited



An ICTSI Group Company

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Company Information

Board of Directors

Chairman

Mr. Hans-Ole Madsen
(Non-Executive Director)

Directors (in alphabetical order)

Mr. Arnie D. Tablante
(Non-Executive Director)

Mr. Asif Raza Khan
(Elected as Independent Director on Feb. 24, 2024)

Mr. Bilal Shahid
(Non-Executive Director)

Mr. Gordon Alan P. Joseph
(Independent Director)
(Retired on Feb. 24, 2024)

Mr. Jacob Christian Gulmann
(Non-Executive Director)

Ms. Lirene C. Mora-Suarez
(Non-Executive Director)

Mr. Rune Rasmussen
(Independent Director)

Acting Company Secretary

Mr. Ahmed Bharamchari

Audit Committee

Chairman

Mr. Rune Rasmussen

Members

Mr. Arnie D. Tablante

Mr. Bilal Shahid

Chief Internal Auditor

Mr. Syed Azmat Hussain

Risk Management Committee

Chairman

Mr. Gordon Alan P. Joseph
(Retired on Feb. 24, 2024)

Mr. Asif Raza Khan
(Elected as Independent Director on Feb. 24, 2024)

Members

Mr. Bilal Shahid

Mr. Hans-Ole Madsen

Human Resource & Remuneration Committee

Chairman

Mr. Gordon Alan P. Joseph
(Retired on Feb. 24, 2024)

Mr. Asif Raza Khan
(Elected as Independent Director on Feb. 24, 2024)

Members

Mr. Hans-Ole Madsen

Ms. Lirene C. Mora-Suarez

Key Management

Chief Executive Officer

Ms. Lirene C. Mora-Suarez

Chief Financial Officer

Mr. Ahmed Bharamchari

External Auditors

EY Ford Rhodes

Chartered Accountants,
Progressive Plaza, Beaumont Road,
P.O. Box 15541, Karachi-75530

Legal Advisor

Usmani & Iqbal

Bankers

Bank Islami Pakistan Limited

Faysal Bank Limited

Habib Bank Limited

National Bank of Pakistan

Samba Bank Limited

Standard Chartered Bank (Pakistan) Limited

United Bank Limited

Registered Office

Plot No. 25/1-A, Steet No. 5,
Muslimabad, Jamshed Town,
Karachi - Pakistan.

Tel: +92 21 37442366

E-mail: investor-relations@pict.com.pk

Website: www.pict.com.pk

Share Registrar/ Transfer Agent

CDC Share Registrar Services Limited

99-B, Block 'B', SMCHS,

Main Shahra-e-Faisal,

Karachi- 74400

Tel: +92-21-111-111-500

Fax: +92-21-34326053

Profile of the Board of Directors

Mr. Hans-Ole Madsen has over 37 years of international experience within the Port, Shipping & Logistic industry. Mr. Madsen is the Senior Vice President, Regional Head for Europe, Middle East, and Africa of International Container Terminal Services Inc. Alongside he is a Director of several other ICTSI group companies.

Mr. Madsen spent 27 years with the A.P. Moller Maersk Group in various international senior positions.


Mr. Gordon Alan P. Joseph, FICD was an Independent Director. He is a Fellow of the Institute of Corporate Directors. Gordon Alan P. Joseph is the Honorary Consul of Kingdom of the Netherlands to the Philippines, and has served as the Chairman of the Executive Committee of the Metro Cebu Development Coordinating Board and as Chairman of the Infrastructure and Power Committees of the Regional Development Council, for Region VII in the Central Philippines. He has also served as a Director of the Mactan Cebu International Airport Authority. He is a major shareholder and CEO of Philpacific Insurance Brokers, Inc., the 5th largest insurance broker and risk management advisory company in the Philippines. Mr. Joseph has a Bachelor's degree from De La Salle University Manila in 1979 (Honors Programme).

On February 24th, 2024, Gordon was retired as an Independent Director

Mr. Rune Rasmussen is an Independent Director, Mr. Rune Rasmussen has more than 17 years of extensive experience in Asset Management, directing large investment projects and portfolios, business transformations and facilitating change management. He had been holding senior management roles in Valais Investment Management, Dexia Bank and Acuma Wealth Management in past. Mr. Rune holds a Master's degree in economics from University of Copenhagen.

Mr. Asif Raza Khan is a Certified Director, holds an MBA (Banking and Finance), and a Postgraduate Diploma (Islamic Banking and Finance). He is an associate member of various professional bodies, such as, Institute of Public Accountants of Australia, Institute of Financial Accountants of UK, Institute of Certified Public Accountants of Pakistan, Institute of Corporate Secretaries of Pakistan, and many others. He also holds Diploma in Advanced Computer Studies that has helped him in efficiently managing emerging technology and information security risks including supply chain risks. He has attended many international seminars and conferences, advanced financial management courses and training from institutions of international repute in Pakistan and abroad.

On February 24, 2024, Asif Raza Khan was elected as an independent director.



Mr. Bilal Shahid has more than 16 years of diversified professional experience in the development of seaports, managing port operations, multinational logistics services, transport, warehousing, stevedoring, and off-dock container terminal operations. He has been the Director in numerous companies of the Bilal Group. He is a Certified Public Accountant (CPA) from New Jersey, US and also holds B.Sc. in Accounting from Louisiana State University (LSU).

Ms. Lirene C. Mora-Suarez has been associated with ICTSI since April 2007. She is currently serving as the Director, Global Corporate Legal Affairs Department of ICTSI. She is a seasoned lawyer with more than 18 years of experience. She was awarded "2019 Woman Lawyer of the year" and was Young Lawyer of the Year 2019 finalist by Asian Legal Business Philippine Law Awards. Ms. Lirene received her Juris Doctor degree in Law and Bachelor of Arts degree in Philosophy (Summa Cum Laude) from the University of Philippines."

Mr. Jacob Christian Gulmann has been with ICTSI since 2013, first as Director of Business Development and presently as Managing Director of ICTSI's terminal operations in Onne, Nigeria. Prior to this Mr. Gulmann was with the A.P. Moller Maersk Group where he held positions in finance and business development. Mr. Gulmann is a graduate of Oxford University.

Mr. Arnie D. Tablante was appointed on September 15, 2021 as the Treasurer of ICTSI. Prior to such role, he was the Risk and Capital Director of ICTSI. Concurrently, he is a Director and Treasurer of Cavite Gateway Terminal, Inc., Falconer Aircraft Management, Inc., IW Cargo Handlers, Inc., South Cotabato Integrated Port Services, Inc., Abbotsford Holdings, Inc., Cordilla Property Holdings, Inc., a Treasurer of Intermodal Terminal Holdings, Inc., and a Director of Pakistan International Container Terminal Ltd., Motukea International Terminal Ltd., South Pacific International Container Terminal Ltd., Aeolina Investments Limited and Crixus Limited. Prior to joining ICTSI, he was already a seasoned banker, having been connected with Union Bank of the Philippines. Mr. Tablante received his Master's Degree in Business Administration from the Asian Institute of Management, and holds a Bachelor of Science degree in Industrial Management Engineering from the De La Salle University.

Chairman's Review

For the year ended December 31, 2023

Dear Shareholders

It is indeed an immense pleasure to welcome you to the 23rd Annual General Meeting of the Company and to present Company's annual report for the year ended December 31, 2023.

Industry and Business Overview

During 2023, a multitude of global and regional economic challenges emerged, characterized by heightened inflation rates, geopolitical tensions, fiscal contraction measures and tightening of monetary policies by central banks of various countries aiming to control the inflation. Pakistan, in particular, faced its own economic difficulties, including fuel and energy pushed inflationary pressure and a significant depreciation of the currency. Political turbulences excelled these problems, starting from depleting foreign exchange reserves and therefore import restrictions were placed for procurement of goods and services globally which curtailed the domestic growth and employment market. Non availability of essential capital goods and raw materials coupled with escalating energy prices also nose-dived the export industry. The adversities in imports and exports volume largely impacts the business of services of container handlings.

The conditions of IMF Bail Out package has left no choice for the Government except to give a new shape to the economy by way of some strategic measures including but not limited to documentation of economy. A futuristic view will be essential for those who are on piloting seat of any decision making.

Review of Financial Performance

During the year 2023, alongside the external factors as described above, one of the major challenge was to hand over the licensed premises and assets pursuant to expiry of the Concession Agreement on June 17, 2023.

Combating all challenges, it is commendable how your company has shown great resistance and managed to sustain the financial performance. The details of the same and future outlook have been covered in Directors' Report.

Governance and Culture – Review of Board's performance

The Board has continuously acknowledged that its members must bring core competencies, diversity, requisite skills, and experience for effective governance of the Company. The Board includes members of diversified expertise including but not limited to the field of port, shipping, logistics, financial management, strategy, business development, assets management, business transformation, risk management and insurance. All members of the Board are cognizant of their fiduciary duty towards the Company and its shareholders and have ensured that this obligation is kept in mind at all times. The Board has constituted independent Audit Committee, Human Resource and Remuneration Committee and Risk Management Committee in order to further strengthen the governance structure of the Company.

The Board acknowledges its responsibilities to maintain effective oversight of the operations of the Company through quarterly meetings of the Board and its Committees. All the Directors, including the Independent Directors, fully participated in and made contributions to the decision-making process of the Board.

The Board, its Committees and individual Directors carried out self-evaluation of their performance during the year and found it to be satisfactory. The overall aim was to measure the current performance of the Board and identify areas for improvement in future years.

Chairman's Review

For the year ended December 31, 2023

Acknowledgments

I would like to thank my fellow board members, management team and employees for their active contributions during the year.

I also wish to express my gratitude to our esteemed investors and other stakeholders including the Securities Exchange Commission of Pakistan, Pakistan Stock Exchange and Bankers for their unwavering support and continued trust in the Company.



Hans-Ole Madsen
Chairman of the Board
Karachi,
Dated: May 09, 2024

چیمبر مین کا جائزہ

محترم حصص یافتگان

انتہائی مسرت کے ساتھ کمپنی کے 23 ویں سالانہ اجلاس عام میں آپ کو خوش آمدید کہتے ہوئے اور 31 دسمبر 2023 کو ختم ہونے والے مالی سال سے متعلق کمپنی کی سالانہ رپورٹ پیش آجکی خدمت میں پیش کی جا رہی ہے۔

صنعت اور کاروبار کا جائزہ

2023 کے دوران، عالمی اور علاقائی سطح پر بہت سے اقتصادی مسائل سامنے آئیں ہیں، ان مسائل میں افراط زر کی بڑھتی ہوئی شرح، جغرافیائی سیاسی تناؤ، مالیاتی سکڑاؤ کے اقدامات اور مختلف ممالک کے مرکزی بینکوں کی جانب سے مالیاتی پالیسیوں کو سخت کرنا شامل ہیں جن کا مقصد افراط زر کو کنٹرول کرنا ہے۔ پاکستان کو بالخصوص معاشی مشکلات کا سامنا کرنا پڑا، جس میں ایندھن اور توانائی کے مسائل کے علاوہ افراط زر اور کرنسی کی قدر میں نمایاں کمی کی جیسے مسائل شامل ہیں۔ غیر ملکی زرمبادلہ کے ذخائر میں کمی سے شروع ہونے والے ان مسائل میں سیاسی انتشار کے باعث مزید شدت پیدا ہوئی اور نتیجتاً عالمی سطح پر اشیاء اور خدمات کی خریداری کے لیے درآمدی پابندیاں لگائی گئیں جس سے ملکی ترقی اور روزگار کی شرح میں کمی واقع ہوئی۔ ضروری اشیاء، سرمایہ اور خام مال کی عدم دستیابی کے علاوہ توانائی کی بڑھتی ہوئی قیمتوں نے بھی برآمدی صنعت کو بھاری نقصان پہنچایا ہے۔ درآمدات اور برآمدات کے حجم میں پیش آنے والی مشکلات بڑے پیمانے پر کاروبار اور کنٹینر مینڈنگ کی خدمات کے کوٹا اثر کرتی ہیں۔

آئی ایم ایف کے نئی آؤٹ لیٹنگ کی شرائط نے حکومت کے لیے اس کے علاوہ کوئی چارہ نہیں چھوڑا ہے کہ وہ بنیادی اصلاحات کے ذریعے معیشت تھبید کرے جو کہ محض دستاویزات بندی تک محدود ناہوں۔ فیصلہ سازوں کیلئے لازم ہے کہ اس سلسلے میں ان کی جانب سے مستقبل کے منظر نامے کو مد نظر رکھا جائے۔

مالیاتی کارکردگی کا جائزہ

مالی سال 2023 کے دوران، مذکورہ بالا بیرونی عوامل کے ساتھ ساتھ، ایک بڑا مسئلہ لائسنس یافتہ احاطے اور اثاثوں کی حواگی تھا جو 17 جون 2023 کو رعایتی معاہدے کی میعاد ختم ہونے کے بعد حوالے کئے جانے تھے۔ مذکورہ بالا مسائل کے تناظر میں، جس انداز سے آپ کی کمپنی زبردست مزاحمت کا مظاہرہ کرتی رہی اور مالی کارکردگی کو برقرار رکھنے میں کامیاب رہی یہ قابل تعریف ہے۔ اس سلسلے میں تمام تفصیلات اور مستقبل کے نقطہ نظر کو ڈائریکٹرز کی رپورٹ میں تفصیلاً بیان کرو یا گیا ہے۔

گورننس اور کلچر - بورڈ کی کارکردگی کا جائزہ

بورڈ کی جانب سے اس بات کی اہمیت کو مسلسل تسلیم کیا گیا ہے کہ کمپنی کی موثر گورننس کے لیے بورڈ کے اراکین میں بنیادی قابلیت، تنوع، مظلوم بہ مہارتیں اور تجربہ ہونا لازم ہے۔ بورڈ میں متنوع مہارت کے ارکان شامل ہیں جن میں بندرگاہ، شپنگ، لائسنس، مالیاتی انتظام، حکمت عملی، کاروباری ترقی، اثاثوں کا انتظام، کاروبار کی تجدیلی، رسک مینجمنٹ اور انشورنس کے شعبے شامل ہیں البتہ یہ مہارتیں محض ان تک محدود نہیں۔ بورڈ کے تمام ممبران کمپنی اور اس کے شیئرز ہولڈرز کے حق میں اپنے بنیادی فریضے سے بخوبی واقف ہیں اور اس بات کو یقینی بنایا گیا ہے کہ اس ذمہ داری کو ہر وقت ذہن نشین رکھا جائے۔ بورڈ نے کمپنی کے گورننس ڈھانچے کو مزید مضبوط بنانے کے لیے غیر جانبدار آڈٹ کمیٹی، ایوومن ریسیورس اینڈ ڈیولپمنٹ ٹینٹیشن تشکیل دی ہے۔

بورڈ اور اس کی کمیٹیوں کے سہ ماہی اجلاسوں کے ذریعے کمپنی کے آپریشنز کی موثر نگرانی کو برقرار رکھنے کے لیے اپنی ذمہ داریوں کو تسلیم کرتا ہے۔ تمام ڈائریکٹرز بشمول غیر جانبدار ڈائریکٹرز نے بورڈ کے فیصلہ سازی کے عمل میں بھرپور اور مؤثر کردار ادا کیا ہے۔ بورڈ، اس کی کمیٹیوں اور انفرادی ڈائریکٹرز نے سال کے دوران خود احتسابی کے تحت اپنی کارکردگی کا خود جائزہ لیا اور اسے تسلی بخش پایا۔ بنیادی مقصد بورڈ کی موجودہ کارکردگی کا جائزہ لینا اور آئندہ سالوں میں بہتری کے لیے شعبوں کی نشاندہی کرنا وغیرہ شامل ہیں۔

اظہار تشکر

میں اپنے ساتھی بورڈ ممبران، انتظامی ٹیم اور ملازمین کا دوران سال ان کی فعال شراکت کے لیے تہ دل سے ان کا شکر گزار ہوں۔ میں اپنے معزز سرمایہ کاروں اور دیگر شراکت داروں بشمول سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، پاکستان اسٹاک ایکسچینج اور بینکرز کا بھی شکریہ ادا کرتا چاہتا ہوں کہ ان کی غیر متزلزل حمایت اور کمپنی پر مسلسل اعتماد ہمیشہ ہمیں حاصل رہا۔



ہانس اولے بلڈن
چیمبر مین بورڈ
کراچی

تاریخ: 9 مئی 2024

Directors' Report

The Board of Directors of Pakistan International Container Terminal Limited is pleased to submit the Annual Report of your Company including the audited financial statements for the year ended December 31, 2023.

BUSINESS PERFORMANCE REVIEW

The year 2023 was quite challenging as it was warranted with unprecedented events. Conflict in Ukraine is being viewed as a tip on iceberg. Resultantly disorders were experienced in commodity prices. In order to control the inflation, Central banks of many countries started to raise the policy rates. On the basis, the fragmentation is experienced in commodity super cycles which triggered the vulnerability in exports and imports volume almost across the globe and Pakistan is not an exception of that challenge. The services of container handling require the back of smooth transition of export and import cycles which was not the case in 2023 in Pakistan due to external factors and as also pursuant of the measures of the financial regulator in Pakistan aimed for necessary correction in balance of payment.

Alongside the challenges on account of external factors supra, your company faced the expiration of its Concession Agreement with KPT. The aforementioned agreement to Build, Operate and Transfer (BOT) was entered into for 21 years commenced from June 18, 2002 and reached to its end on June 17, 2023. The sponsors and Board of Directors had done all the efforts including, but not limited to, seeking of legal aid and Courts interventions for seeking the renewal of the agreement but KPT and Ministry of Maritime moved and decreed the concession to another operator under Government-to-Government Agreement, without inviting any tender process.

Accordingly, the financial results of the year represent the operations of container handling business for a part of the year and then after the operations were confined to the extent of management cum technical service arrangement with AD Port/KGTL for the purpose of handover of operations and the terminal.

OPERATING AND FINANCIAL RESULTS FOR THE YEAR ENDED DECEMBER 31, 2023

During the year ended December 31, 2023, your Company handled 132,679 containers as compared to 371,028 containers handled in the year 2022. Your Company recorded revenue of Rs. 6,392 million. Through operational excellence and cost optimizations, your Company posted a Gross Profit of Rs. 2,458 million. The year ended with a net profit of Rs. 1,801 million.

	2023	2022
	(Rs. in millions)	
Revenue	6,392	12,024
Gross Profit	2,458	5,161
Profit before taxation	3,374	5,003
Profit after taxation	1,801	2,729
Unappropriated profit brought forward	896	1,452
Profit available for appropriation	2,696	4,181
Appropriations:		
- Final cash dividend for the year-end December 31, 2022 @ Rs. Nil per share (December 31, 2021 @ Rs. 9.00 per share)	-	(982)
- Interim cash dividends for the year-end December 31, 2023 @ Rs. 20.00 per share (December 31, 2022 @ Rs. 21.10 per share)	(2,183)	(2,303)
Unappropriated profit carried forward	513	896
Basic and Diluted Earnings Per Share	16.50	25.01

FUTURE OUTLOOK

Through the process of Election of Directors, the Board has taken charge effective from February 24, 2024 and the Board has also re-appointed the Chairman and Chief Executive of the Company. Moreover, necessary Committees of the Board have also been reconstituted.

After discussing the unfortunate and unwarranted expiration of Concession Agreement, we also consider it appropriate to discuss something on economic side which is relevant to consider about future business plan.

Despite of all the commercial and economic uncertainties, the new Board is vigilant to do the best. Some of the non-binding expressions of interests are in the process of evaluation involving the potential to earn license fee coupled with management and technical fee.

CORPORATE ENVIRONMENTAL SUSTAINABILITY AND IMPACTS OF BUSINESS ON ENVIRONMENT

Health, Safety and Environment [HSE] considerations were an integral part of the day-to-day operations of your Company. In order to ensure minimal impact of terminal operations on the health and safety of our stakeholders and on the environment, your Company had secured an Integrated Management System (IMS) Certification that was consisted of ISO 9001 (Quality Management System), ISO 14001 (Environmental Management System) & ISO 45001 (Occupational Health & Safety Management System).

Your Company had taken various significant measures including initiatives to reduce emissions, waste management and treatment methods, fire-fighting arrangements, emergency preparedness drills, dedicated ambulance service, first aid facilities, load testing of equipments, leaky containers storage area, HSE induction of staff and other associated persons, training, and awareness programs, etc.

Directors' Report

CORPORATE SOCIAL RESPONSIBILITY

Your Company recognizes the importance of creating sustainable value chains and aims to contribute to the well-being of its stakeholders. As part of this philosophy, the company has established Corporate Social Responsibility (CSR) programs that are in line with the United Nations' Sustainable Development Goals (SDGs).

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

Internal controls policy is designed to provide reasonable assurance regarding the effectiveness and efficiency of the Company's operations, reliability of financial information, and compliance with applicable laws and regulations. Management ensures efficient and effective Internal Controls by identifying controls, reviewing pertinent policies/procedures, and establishing relevant control procedures and monitoring systems. The Internal Control System has been designed to provide reasonable assurance to the shareholders and Board of Directors. The Management considers that the existing Internal Control System is adequate and has been effectively implemented and monitored.

DIRECTORS' RESPONSIBILITY IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Board of Directors acknowledges their responsibility towards the implementation of an effective internal control environment throughout the organization. The Company has set up an effective and efficient Internal Audit function that rigorously monitors the control environment of the Company. This function conducts comprehensive quarterly reviews of the activities of your Company. Broader targets of the said reviews are establishment and observance of internal controls for ensuring operational efficiencies and safeguard of profitability.

The activities of the Internal Audit department are overseen by the Audit Committee which regularly monitors the performance of the department through review of the internal audit reports on a quarterly basis and accordingly apprising the Board of its findings and recommendations.

The Board reviews the Company's financial operations and position at regular intervals by means of interim accounts, reports, and other financial information.

PATTERN OF SHAREHOLDING

The Pattern of shareholding as at December 31, 2023, is annexed to this Report.

The Directors, Chief Executive Officer, Executives, and their spouses and minor children have made no transactions in the Company's shares during the year except those disclosed in accordance with the law. Executives for this purpose means Chief Executive Officer, Chief Financial Officer, Chief Internal Auditor, Company Secretary, and other employees of the Company designated as executives by the Board. The Board of Directors has set a threshold of the annual basic salary of Rs. 1,200,000 for terming as Executive.

BOARD OF DIRECTORS

As of the date of the Directors' Report, the Board of Directors comprises of seven directors including a female director. In respect of the executive, non-executive, and independent directors, the Board comprises the following:

a) Independent Directors:

- i. Mr. Rune Rasmussen
- ii. Mr. Asif Raza Khan

b) Non-executive Directors

- i. Mr. Hans-Ole-Madsen
- ii. Mr. Arnie Dizon Tablante
- iii. Mr. Bilal Shahid
- iv. Mr. Jacob Christian Gulmann

c) Executive Director/Chief Executive Officer

Ms. Lirene Coloquio Mora- Suarez [Female Director]

All the directors take a keen interest in the proper stewardship of the Company's affairs. During the year, four Board Meetings and four Audit Committee Meetings, were held. The names of Directors and their attendance in Board and Committee meetings held during the year are presented below:

S. No	Name of Director	Meetings Attended		Member of		
		Board	Audit Committee	Audit Committee	HR&R Committee	Risk Management Committee
1	Mr. Hans-Ole-Madsen	4	-	-	✓	✓
2	Mr. Arnie Dizon Tablante	4	4	✓	-	-
3	Mr. Bilal Shahid	3	3	✓	-	✓
4	Mr. Jacob Christian Gulmann	4	-	-	-	-
5	Ms. Lirene Coloquio Mora-Suarez	4	-	-	✓	-
6	Mr. Rune Rasmussen	4	4	✓	-	-

Leave of absence was granted to the Directors who could not attend the Board Meeting.

Directors Remuneration Policy

The Board has a duly approved policy for the remuneration of the members of the Board for attending the Board and Committee Meetings, the salient features of which are mentioned below:

i- Non-executive Directors:

Each Non-executive director is only entitled to a fee for attending the Board meeting of USD 1,000 per Board meeting.

ii- Independent Directors:

Each Independent director is only entitled to a fee for attending the Board meeting of USD 2,000 per Board meeting and USD 1,000 for attending each Committee meeting.

iii- Directors are also entitled to reimbursement of expenses incurred in connection to the attendance of the Board and/or Board Committee meetings.

Directors' Report

Details of remuneration of Directors and the Chief Executive Officer are disclosed in note 27 to the financial statements.

PARENT COMPANY

Your Company is a subsidiary of ICTSI Mauritius Limited, whereas its ultimate holding Company is International Container Terminal Services Inc., a company incorporated in the Philippines.

AUDITORS

The present auditors, EY Ford Rhodes Chartered Accountants stand retired at the conclusion of the upcoming Annual General Meeting and being eligible have offered themselves for reappointment. The Audit Committee has recommended the reappointment of the retiring auditors for the year ending December 31, 2024, The Board has endorsed the recommendation of the Audit Committee.

RISKS AND UNCERTAINTIES AND THEIR MITIGATIONS

The Company addresses risks individually in the course of its business operations and manages the risk in support of the company's vision, mission, goals, and objectives. The management determines response strategies for such risks which include avoid, transfer, reduce or accept strategy. Financial risks have been described in detail in note 25 to the financial statements that cover credit risk, liquidity risk, foreign currency risk, interest rate risk, equity price risk, and capital risks.

COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

Governance set out by the Listed Companies (Code of Corporate Governance) Regulations, 2019 relevant for the year ended December 31, 2023, has been duly complied with. A statement to this effect is annexed to the Annual Report.

CORPORATE AND FINANCIAL REPORTING FRAMEWORK

- The financial statements, prepared by the management of the Company, present its state of affairs fairly, the results of its operations, cash flows, and changes in equity.
- Proper books of account have been maintained by the Company.
- Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards and the Companies Act, 2017, as applicable in Pakistan, as also stated in note 2.1 of the financial statements have been followed in the preparation of financial statements.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- Even after expiration of the Concession Agreement, the Company is optimistic that it will remain operational for the foreseeable future and accordingly financial statements have been prepared on a going concern basis.
- There has been no material departure from Pakistan Stock Exchange Limited Regulations (PSX Regulations).
- A summary of key operating and financial data of last six years is annexed to this Report.
- Information about contribution to the national exchequer in the form of taxes and levies is given in the respective notes to the Financial Statements.

- The Company operates a contributory Provident Fund Scheme for its eligible permanent employees. The value of its investments based on the audited accounts as at June 30, 2023, is Nil.

CODE OF CONDUCT

The underlying values of the Company's Code of Conduct are based on honesty, integrity, and openness along with respect for the human rights and interests of the employees. The Company's Code of Conduct promotes guidelines on various ethical standards including issues such as conflict of interest, employee rights, etc. The Board ensures that the Code of Conduct is disseminated to, understood, and observed by employees. The Code is also available on the Company's website.

MATERIAL CHANGES AND COMMITMENTS

There have been no material changes and commitments affecting the financial position of the Company which has occurred between December 31, 2023, and the date of this.

COMMUNICATION

Communication with the members is given high priority. Annual reports are disseminated in line with the procedure specified in the Companies Act, 2017. The Company also has a website, www.pict.com.pk which contains up-to-date information on the Company's activities and financial reports.

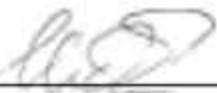
CHAIRMAN'S REVIEW

The Chairman's review included in the Annual Report deals inter alia with the overall performance of the Board of Directors and the effectiveness of the role played by the Board of Directors in achieving the Company's objectives for the year ended December 31, 2023. The Board of Directors endorses the contents of the Chairman's Review.

ACKNOWLEDGEMENTS

On behalf of the Board, we would like to extend our sincerest appreciation and gratitude to our valued shareholders and customers for their unwavering trust and support. We recognize that the success of our company is a reflection of the trust and confidence placed in us by our stakeholders, and we are grateful for this ongoing partnership. Our employees are an integral part of our organization and we appreciate their unwavering commitment and dedication to our mission. Their hard work and contributions have been instrumental to our growth and continued success. Thank you for your continued trust and support in our company.

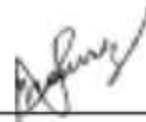
For and on behalf of the Board of Directors



Mr. Hans-Ole Madsen
Chairman of the Board

Karachi

Dated: May 09, 2024



Ms. Lirene Coloquio Mora-Suarez
Chief Executive Officer

بیانِ نظماً

اظہارِ تشکر

منجانب بورڈ، ہم غیر متزلزل اعتماد اور تعاون کے لیے اپنے گراں قدر حصص یافتگان اور صارفین کے تہہ دل سے مشکور ہیں۔ ہم تسلیم کرتے ہیں کہ ہماری کمپنی کی کامیابی ہمارے شراکت داروں کی جانب سے ہم پر کئے گئے اعتماد کا ثمر ہے جس کے لیے ہم تہہ دل سے شکر گزار ہیں۔ ہمارے ملازمین ہماری تنظیم کا ایک لازمی حصہ ہیں، ہمارے مشن کی تکمیل کے لیے ان کا عزم اور لگن قابل تعریف ہے۔ ان کی محنت اور اخلاص ہماری ترقی اور مسلسل کامیابی میں اہم کردار ادا کرتی رہی ہے۔ ہم اپنی کمپنی کیلئے آپ کے مسلسل اعتماد اور تعاون کا شکریہ ادا کرتے ہیں۔

منجانب و برائے بورڈ آف ڈائریکٹرز



لائسنس کولونیکو موراسوزاز
چیف ایگزیکٹو آفیسر



ہانس اولے ڈسن
بورڈ چیئرمین

کراچی، 09 مئی 2024

- پاکستان میں مروجہ بین الاقوامی مالیاتی رپورٹنگ کے معیارات اور کمپنیز ایکٹ، 2017 کی پاسداری کرتے ہوئے مالیاتی گوشوارے تیار کئے گئے ہیں، جیسا کہ نوٹ 2.1 میں بھی اس کی وضاحت کر دی گئی ہے۔
- اندرونی کنٹرول کا نظام درست انداز سے وضع کیا گیا ہے، اسے مؤثر طریقے سے نافذ کیا گیا ہے اور اس کی مستحکم نگرانی کی جا رہی ہے۔
- رعایتی معاہدے کی میعاد ختم ہونے کے بعد بھی، کمپنی پر امید ہے کہ یہ مستقبل قریب کے لیے فعال رہے گی اور اسی کے مطابق مالیاتی گوشوارے کاروبار کے پیکٹ کی بنیاد جاری رہنے کی بنیاد پر تیار کیے گئے ہیں۔
- پاکستان اسٹاک ایکسچینج لمیٹڈ ریگولیشنز (PSX ریگولیشنز) سے ایسی کوئی بھی روگردانی نہیں کی گئی جسے بیان کرنا ضروری ہو۔
- پچھلے چھ سالوں سے متعلق اہم کاروباری اور مالیاتی امور کے ڈیٹا کا خلاصہ رپورٹ ہذا کے ساتھ منسلک ہے۔
- ٹیکس اور لیویز کی شکل میں قومی خزانے میں کمپنی کی جانب شراکت کے بارے میں معلومات مالیاتی گوشواروں کے متعلقہ نوٹس میں بیان کر دی گئی ہیں۔
- کمپنی کی جانب سے معیار پر پورے اترنے والے اپنے مستقل ملازمین کے لیے ایک معاون پروویڈنٹ فنڈ سکیم قائم کی گئی ہے۔ مورخہ 30 جون 2023 تک آڈٹ شدہ کھاتوں کی بنیاد پر اس کی سرمایہ کاری کی قدر صفر ہے۔

ضابطہ اخلاق

کمپنی کا ضابطہ اخلاق ایمانداری، دیانتداری، شفافیت، اعلیٰ اقدار، ملازمین کے انسانی حقوق اور مفادات کے احترام جیسی بنیادوں پر وضع کیا گیا ہے۔ کمپنی کا ضابطہ اخلاق مختلف اخلاقی معیارات پر جنہاں غلطی کو فروغ دیتا ہے جس میں مفادات کا ٹکراؤ، ملازمین کے حقوق وغیرہ جیسے مسائل شامل ہیں۔ بورڈ اس بات کو یقینی بناتا ہے کہ ضابطہ اخلاق سے ملازمین میں آگاہی پیدا کی جائے اور اس کا مشاہدہ کیا جائے۔ کوڈ ہذا کمپنی کی ویب سائٹ پر بھی دستیاب ہے۔

اہم تبدیلیاں اور وعدے

مورخہ 31 دسمبر 2023 سے تا حال ایسی کوئی اہم تبدیلی واقع نہیں ہوئی اور نہ ہی ایسے کوئی وعدے کئے گئے ہیں جس سے کمپنی کی مالیاتی پوزیشن پر کوئی فرق پڑتا ہو۔

مواصلات

ممبران کو باخبر رکھنے کی غرض سے مواصلات کو بہت اہمیت دی جاتی ہے۔ سالانہ رپورٹس کو کمپنیز ایکٹ 2017 میں مندرجہ طریقہ کار کے مطابق ممبران کو ارسال کیا جاتا ہے۔ کمپنی کی جانب سے ایک ویب سائٹ www.pict.com.pk بھی چلائی جاتی ہے جس پر کمپنی کی سرگرمیوں اور مالیاتی معاملات سے متعلق معلومات کی تجدید کی جاتی ہے۔

چیز مین کا جائزہ

سالانہ رپورٹ میں شامل چیز مین کا جائزہ بورڈ آف ڈائریکٹرز کی مجموعی کارکردگی اور مالی سال اختتامیہ 31 دسمبر 2023 کے دوران کمپنی کے اہداف کے حصول میں بورڈ آف ڈائریکٹرز کی جانب سے ادا کیے گئے مؤثر کردار سے متعلق ہے۔ بورڈ آف ڈائریکٹرز چیز مین کے جائزے کے مندرجات کی توثیق کرتا ہے۔

بیانِ نظماً

ڈائریکٹرز کے مشاہرے سے متعلق پالیسی

بورڈ کی جانب سے بورڈ اور کمپنی کے اجلاسوں شرکت کے مشاہرے کیلئے ایک پالیسی باقاعدہ منظوری کی گئی ہے، اس پالیسی کی چیدہ چیدہ خصوصیات مندرجہ ذیل ہیں:

- i۔ غیر انتظامی ڈائریکٹرز
بر غیر انتظامی ڈائریکٹر صرف اسی وقت مشاہرہ وصول کرنے کا استحقاق رکھتا ہے جبکہ وہ بورڈ کے کسی اجلاس میں شرکت کرے، یہ معاوضہ 1000 ڈالر فی اجلاس کے حساب سے ادا کیا جاتا ہے۔
- ii۔ غیر جانبدار ڈائریکٹرز
بر غیر جانبدار ڈائریکٹر صرف اسی وقت مشاہرہ وصول کرنے کا استحقاق رکھتا ہے جبکہ وہ بورڈ کے کسی اجلاس میں شرکت کرے، یہ معاوضہ 2000 ڈالر فی اجلاس کے حساب سے ادا کیا جاتا ہے اور کمپنی کے اجلاس میں شرکت کیلئے 1000 ڈالر فی اجلاس مشاہرہ ادا کیا جاتا ہے۔
- iii۔ ڈائریکٹرز ان اخراجات کو وصول کرنے کا استحقاق بھی رکھتے ہیں جو ان کی جانب سے بورڈ اور/یا بورڈ کی کمیٹیوں کے اجلاس میں شرکت کی غرض سے کئے جاتے ہیں۔
ڈائریکٹرز اور چیف ایگزیکٹو کے مشاہرے سے متعلق تمام تفصیلات کو مالیاتی گوشواروں کے نوٹ نمبر 27 وضاحت کے ساتھ بیان کر دیا گیا ہے۔

بیزنس کمپنی

آپ کی کمپنی ICTSI مارٹیس لمیٹڈ کی ذیلی کمپنی ہے، تاہم اس کی حتمی ہولڈنگ کمپنی انٹرنیشنل کنٹینر ٹرمینل سرورسز انکارپوریٹڈ ہے جو کہ فلپائن میں بطور کارپوریشن رجسٹرڈ ہے۔

آڈیٹرز

موجودہ آڈیٹرز ای وائے فور ڈیوڈ چارٹرڈ اکاؤنٹنٹس آئینڈ سالانہ اجلاس عام کے انعقاد پر ریٹائر ہو جائیں گے اور اپنی اہلیت کی بنیاد پر ان کی جانب سے ایک مرتبہ پھر اپنی خدمات پیش کی گئی ہیں۔ آڈٹ کمپنی کی جانب سے ریٹائر ہونے والے آڈیٹرز کی دوبارہ تعیناتی برائے مالی سال اختتامیہ 31 دسمبر 2024 کیلئے سفارش کی گئی ہے، بورڈ کی جانب سے اس سفارش کی توثیق کی جا چکی ہے۔

رسک اور غیر یقینی صورتحال اور ان کا سدباب

کمپنی اپنے کاروباری افعال کے دوران انفرادی طور پر رسک سے نمٹتی ہے اور کمپنی کے وٹن، مشن، اہداف اور مقاصد کے حصول کیلئے ان خطرات سے نہروڈ آزماہوتی ہے۔ انتظامیہ ایسے خطرات کے لیے اس انداز سے جوابی حکمت عملی طے کرتی ہے ہر ممکن طور پر ان سے بچا جاسکے یا انہیں منتقل کیا جائے اور یا کم از کم سطح پر لایا جائے۔ مالیاتی خطرات کو مالیاتی گوشواروں کے نوٹ 25 میں تفصیل سے بیان کیا گیا ہے جس میں کریڈٹ رسک، لیکویڈیٹی رسک، فارن کرنسی کارنسک، سود کی شرح کارنسک، ایکویٹی پرائس کارنسک، اور سرمائے کے رسک شامل ہیں۔

کوڈ آف کارپوریٹ گورننس کی پاسداری

لسڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے تحت وضع کردہ گورننس پالیسی کی مالی سال اختتامیہ 31 دسمبر 2023 کے دوران مکمل پاسداری کی گئی ہے۔ اس سلسلے میں ایک بیان سالانہ رپورٹ کے ساتھ منسلک ہے۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک

- کمپنی کی انتظامیہ کی طرف سے تیار کردہ مالیاتی گوشوارے کمپنی کے معاملات کی، کاروباری افعال کے نتائج، ہندسہ رقم کی ترسیلات اور ایکویٹی میں تبدیلیوں کو بالکل صحیح انداز میں پیش کرتے ہیں۔
- کمپنی کی طرف سے حساب کتاب کیے باقاعدہ کھاتے مرتب کئے گئے ہیں اور ان کی مناسب دیکھ بھال کی گئی ہے۔
- مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو نافذ کرنے میں استتعال کے اصول کو مد نظر رکھا گیا ہے اور اکاؤنٹنگ کے تخمینے معقول اور ترین از قیاس ہیں۔

بورڈ آف ڈائریکٹرز

ڈائریکٹرز رپورٹ کی تاریخ تک، بورڈ آف ڈائریکٹرز سات ڈائریکٹرز پر مشتمل ہے جن میں ایک خاتون ڈائریکٹر بھی شامل ہے۔ انتظامی، غیر انتظامی اور غیر جانبدار ڈائریکٹرز کی اقسام کے لحاظ سے بورڈ آف ڈائریکٹرز کی ترتیب درج ذیل ہے:

(الف) غیر جانبدار ڈائریکٹرز

- i۔ جناب رون راسموسن
- ii۔ جناب آصف رضا خان

(ب) غیر انتظامی ڈائریکٹرز

- i۔ جناب نس اولی میڈسن
- ii۔ جناب ایکی ڈیزون ہیلینٹ
- iii۔ جناب بلال شاہد
- iv۔ جناب جیک کرچن گلیمین

(ج) انتظامی ڈائریکٹر / چیف ایگزیکٹو آفیسر

محترمہ لارین کولو کیو موراسوریز (خاتون ڈائریکٹر)

تمام ڈائریکٹرز کمپنی کے افعال سرانجام دینے میں انتہائی مستعدی و دلچسپی کا مظاہرہ کرتے ہیں۔ دوران سال بورڈ کے چار، اور آڈٹ کمیٹی کے چار اجلاس منعقد کئے گئے۔ ان اجلاسوں میں شرکت کرنے والے ڈائریکٹرز کے نام اور ان کی حاضری ذیل میں پیش کی جا رہی ہے:

نمبر شمار	ڈائریکٹرز کے نام	اجلاس میں شرکت			ممبر
		بورڈ	آڈٹ کمیٹی	آڈٹ کمیٹی	
1	جناب نس میڈسن	4	-	-	رنگ ٹیمینٹ کمیٹی
2	جناب جناب ایکی ڈیزون ہیلینٹ	4	4	/	انسانی وسائل و اداکاریوں کی کمیٹی
3	جناب بلال شاہد	3	3	/	-
4	جناب گورڈن ایٹن بی جوزف	4	-	-	/
5	جناب جیک کرچن گلیمین	4	-	-	-
6	محترمہ لارین کولو کیو موراسوریز	4	-	-	/
7	جناب رون راسموسن	4	4	/	-

اجلاسوں میں شرکت نہ کرنے والے ڈائریکٹرز کو رخصت دی جا چکی تھی۔

بیانِ نظماً

آپکی کمپنی کی جانب سے اس سلسلے میں بہت سے اقدامات اٹھائے گئے تھے جس میں اخراج کو کم از کم کرنے، فضلے کو کھکانے لگانے، آگ بجھانے کیلئے تیار رہنے، ایمر جنسی کی صورتحال سے نسلنے کیلئے ہمدوقت تیار رہنے، ہمدوقت مستعد ایسولینس سروں موجود رہنے، ابتدائی طبی امداد کی سہولیات ہمدوقت تیار رکھنے، لوڈ کوئیٹ کرنے کے آلات دستیاب رکھنے، ایک شدہ کنٹینر ڈول کو ایک جگہ محفوظ رکھنے، صحت، حفاظت اور بقائے ماحولیات برائے اسٹاف اور دیگر متعلقین، اس سلسلے میں تربیتی نشستوں اور آگہی کے پروگرام ترتیب دینے جیسے اقدامات شامل ہیں۔

کارپوریٹ سماجی ذمہ داری

آپ کی کمپنی پائیدار ویلیو چیئر بنانے کی اہمیت کو تسلیم کرتی ہے اور اس کا مقصد اپنے شراکت داروں کی فلاح و بہبود کو یقینی بنانا ہے۔ اپنے اس فلسفے پر عمل کرتے ہوئے، کمپنی کی جانب سے کارپوریٹ سماجی ذمہ داری (CSR) کے تحت پروگرام مرتب کئے گئے ہیں جو کہ اقوام متحدہ کی جانب سے متعارف کئے جانے والے پائیدار ترقی کے اہداف (SDGs) کے مطابق ہیں۔

موثر اندرونی مالیاتی کنٹرول

اندرونی کنٹرول کی پالیسی ان اہداف کو مد نظر رکھتے ہوئے مرتب کیا گیا ہے کہ کمپنی کے کاروباری افعال کی کارکردگی موثر ہو، فراہم کی جانے والی معلومات قابل اعتماد ہوں، اور مردوج قوانین کی پاسداری کو یقین بنایا جائے۔ انتظامیہ کی جانب سے اندرونی کنٹرول کے نظام کو موثر بنانے کیلئے کنٹرولنگ کنٹریکٹنگ کی نشاندہی کی جاتی ہے، مستقل پالیسیوں اور طریقہ کار کا جائزہ لیا جاتا ہے اور کنٹرول اور مانیٹرنگ کیلئے متعلقہ طریقہ کار وضع کئے جاتے ہیں۔ اندرونی کنٹرول کا نظام حصص یا فیکان بورڈ آف ڈائریکٹرز کو نظام کے مستند ہونے کا یقین دلانے کیلئے وضع کیا گیا ہے۔ انتظامیہ کے خیال میں رواں اندرونی کنٹرول کا نظام کافی اور موثر ہے اور اس نظام کی مستقل بنیادوں پر نگرانی بھی کی جاتی ہے۔

اندرونی کنٹرول کے نظام کو موثر بنانے کیلئے ڈائریکٹرز کی ذمہ داری

بورڈ آف ڈائریکٹرز اندرونی کنٹرول کے نظام کے موثر ہونے اور پوری میں اس کے نفاذ کے ضمن میں اپنی ذمہ داریوں سے پوری طرح واقف ہیں اور اس کی اہمیت کا مکمل ادراک بھی رکھتے ہیں۔ کمپنی کی جانب سے ایک کارگر اور مستعد اندرونی آڈٹ کا نظام وضع کیا گیا ہے جس کے ذریعے انتہائی مستعدی کے ساتھ کمپنی کے تمام افعال پر نظر رکھی جاتی ہے۔

اس نظام کے تحت سہ ماہی کی بنیاد پر کمپنی میں سرانجام دیے جانے والے تمام افعال کا جائزہ لیا جاتا ہے۔ نظر ثانی کے نتیجے میں بڑے اہداف مقرر کئے جاتے ہیں، اندرونی کنٹرول کے نظام کا مشاہدہ کیا جاتا ہے تاکہ کاروباری سرگرمیوں کے موثر بنانے اور کمپنی کی منفعت کی حفاظت یقینی بنایا جاسکے۔

اندرونی آڈٹ کے نظام کی سرگرمیوں کا انتخاب آڈٹ کمیٹی کے ذریعے کیا جاتا ہے، یہی کمیٹی سہ ماہی کی بنیاد پر اس شعبے کی کارکردگی پر بذریعہ اندرونی آڈٹ رپورٹس نظر ثانی کرتی ہے اور نظر ثانی کے بعد نتائج کی روشنی میں بورڈ آف ڈائریکٹرز کے سامنے اپنی سفارشات پیش کرتی ہے۔

بورڈ کی جانب سے کمپنی کے مالیاتی افعال کو زیر غور لایا جاتا ہے اور عبوری اکاؤنٹس، رپورٹس اور دیگر مالیاتی معلومات کے ذریعے کمپنی کی مالی پوزیشن کی جانچ پڑتال کی جاتی ہے۔

ترتیبِ حصص داری

ترتیبِ حصص داری بتاریخ 31 دسمبر 2023 رپورٹ ہذا کے ساتھ منسلک ہے۔

ڈائریکٹرز، چیف ایگزیکٹو آفیسر اور ایگزیکٹو اور ان کے اذواج یا نابالغ بچوں کی جانب سے کمپنی کے ساتھ لین وین کا ایسا کوئی معاملہ نہیں کیا گیا جسے قوانین کے مطابق رپورٹ میں بیان ناکیا گیا ہو۔ اس تناظر میں ایگزیکٹو سے مراد چیف ایگزیکٹو آفیسر، چیف فنانشل آفیسر، چیف انٹرنل آڈیٹر، کمپنی بیکریٹری اور دیگر ملازمین ہیں کمپنی کے بورڈ کی جانب سے ایگزیکٹو قرار دیا گیا ہو۔ بورڈ کی جانب سے ایگزیکٹو قرار دینے کیلئے یہ معیار مقرر کیا گیا ہے کہ ایگزیکٹو کہلانے والے ملازم کی سالانہ بنیادی تنخواہ 12,00,000 روپے ہوگی۔

2022	2023	
12,024	6,392	آمدن
5,161	2,458	خام منافع
5,003	3,374	منافع قبل از ٹیکس
2,729	1,801	منافع بعد از ٹیکس
1,452	896	غیر منقسم شدہ منافع کا گزشتہ میزانیہ
4,181	2,696	دستیاب منافع برائے تقسیم
		تقسیم:
		حتمی نقد ڈیویڈنڈ برائے مالی سال
		اختتامیہ 31 دسمبر 2022 @ Nil روپے
		نی حصص
		(مالی سال اختتامیہ 31 دسمبر 2021 @ 9.00 روپے
(982)	-	نی حصص)
(2,303)	(2,183)	عبوری نقد ڈیویڈنڈ برائے مالی سال اختتامیہ 31 دسمبر 2023
		@ 20.00 نی حصص (31 دسمبر 2022 @ 21.10 روپے)
		غیر تقسیم شدہ منافع کا موجودہ میزانیہ
896	513	بنیادی و تحلیل آمدن نی حصص
25.01	16.50	

مستقبل کا جائزہ

ڈائریکٹرز کے انتخابات کے بعد، بورڈ آف ڈائریکٹرز نے مورخہ 24 فروری 2024 سے اپنی ذمہ داریاں سنبھال لی ہیں اور بورڈ کی جانب سے کمپنی کے چیئرمین اور چیف ایگزیکٹو کا از سر نو تقرر کروایا گیا ہے۔ مزید برآں، بورڈ کی ضروری کمیٹیوں کی تشکیل نو بھی کی جا چکی ہے۔

بد قسمتی سے اور غیر متوقع طور پر منسوخ ہونے والے رعایتی معاہدے پر بحث و تجویس کے بعد اب ہمارے خیال میں یہی مناسب ہوگا کہ معاشی حوالے سے بحث کر لی جائے کہ مستقبل کیلئے ہمارا کاروباری منصوبہ کیا ہوگا۔

تمام تر معاشی اور کاروباری فیصلے صحیح صورتحال کے باوجود نیا بورڈ اپنی جانب سے بھرپور صلاحیتوں کو بروئے کار لانے کیلئے مستعد ہے۔ کچھ غیر مشروط اظہارِ دلچسپی جانچ کے مراحل میں سے گزر رہے ہیں جن میں لائسنس فیس اور انتظامی و تکنیکی امور کی فیس کی آمدن بھی زیرِ غور ہے۔

کارپورٹ ماحولیاتی پائیداری اور ماحولیات پر کاروبار کے اثرات

صحت و حفاظت اور ماحولیات (HSE) سے متعلق پالیسیاں آپ کی کمپنی کے روزمرہ کاروباری افعال کا جزو لا ینفک رہی ہیں۔ اس بات کو یقینی بنانے کیلئے کہ ہمارے کاروباری افعال سے ہمارے شراکت دار اور اور گروہ کا معاشرہ کم از کم متاثر ہو، آپ کی کمپنی کی جانب سے مربوط انتظامی نظام (IMS) سرٹیفیکیشن حاصل کر لیا تھا جو کہ ISO 9001 (Quality Management System)، ISO 14001 (Environmental Management System) اور ISO 45001 (Occupational Health & Safety Management System) پر مشتمل ہے۔

بیانِ نظماً

بورڈ آف ڈائریکٹرز پاکستان انٹرنیشنل کنٹینرز ٹرمینل لمیٹڈ انتہائی مسرت کے ساتھ آپ کی کمپنی کی سالانہ رپورٹ برائے مالی سال اختتامیہ 31 دسمبر 2023 مع آڈٹ شدہ مالیاتی گوشوارے آپ کی خدمت میں پیش کر رہے ہیں۔

کاروباری کارکردگی کا جائزہ

مالی سال 2023 مسائل سے بھرپور سال تھا اور اس سال میں ایسے مسائل نے جنم لیا جن کی ماضی میں نظیر نہیں ملتی۔ یوکرین کی جنگ کے بارے میں یہ کہا جا رہا ہے کہ یہ تو اصل مسئلے کی محض ایک جھلک ہے۔ نتیجتاً اشیاء کی قیمتوں میں بڑی خرابی پیدا ہوئی۔ انفرادی زکوٰۃ میں رکھنے کیلئے مختلف ممالک کے مرکزی بینکوں کی جانب سے پالیسی ریش کی شرح کو بلند کر دیا گیا۔ اس سارے قضیے میں زبردست مہنگائی (سپرسائیکل) کے دھچکے محسوس کئے گئے اور درآمدات اور برآمدات کا نظام پوری دنیا میں متاثر ہوا، پاکستان اس پورے منظر نامے میں کہیں مستثنیٰ نہ رہا۔ کنٹینرز کی سہولت فراہم کرنے سے وابستہ کاروباری کامیابی کیلئے لازم ہے کہ درآمدات اور برآمدات کو پیسہ سبک رفتاری سے گھومتا رہے لیکن مالی سال 2023 پاکستان میں ایسا بالکل بھی نہ تھا۔ ایک جانب تو پاکستان میں بیرونی حوالے کا دباؤ تھا اور دوسری جانب پاکستان کے اندر ادائیگیوں کے توازن کو درست کرنے کی غرض سے پالیسی سازوں کی جانب سے ضروری اقدامات اٹھائے گئے۔

بیرونی حوالے کے زبردست دباؤ کے ساتھ ساتھ آپ کی کمپنی کو ایک بہت بڑا مسئلہ یہ بھی پیش آیا کہ اپنی پورٹ ٹرسٹ (KPT) کے ساتھ کیا گیارہ عینتی معاہدہ ختم ہو گیا۔ مذکورہ بالا معاہدہ تعمیر کرو، کاروبار کرو اور حوالے کرو (BOT) کی بنیاد پر 21 سال پہلے 18 جون 2002 میں طے پایا اور بالآخر 17 جون 2023 کو ختم ہو گیا۔ کمپنی کے اسپانسرز اور بورڈ آف ڈائریکٹرز کی جانب سے قانونی چارہ جوئی کیلئے کوئی کسر باقی نا اٹھا رکھی گئی اور عدالت کا دروازہ بھی کھٹکھٹایا گیا کہ اس معاہدے کی تجدید کر دی جائے لیکن کراچی پورٹ ٹرسٹ اور منسٹری آف میری ٹائمز کی جانب سے حکومت سے حکومت کے مابین معاہدے کی بنیاد پر کسی اور آپریٹر سے رعایتی معاہدہ کر لیا گیا، اور اس سلسلے میں کوئی ٹینڈر تک پیش نہیں کیا گیا۔

لہذا رواں مالیاتی سال کے مالیاتی نتائج میں کنٹینرز کی سہولت کاری سے متعلق کاروباری افعال کو سال کے ایک حصے تک ہی محدود رکھا گیا ہے اور اس کے بعد کے کاروباری افعال کو انتظامی اور تکنیکی خدمات فراہم کرنے اور AD Port/KGTL برائے حوالگی اور ٹرمینل کی حد تک ہی شامل کیا گیا ہے۔

کاروباری و مالیاتی نتائج برائے مالی سال اختتامیہ 31 دسمبر 2023

مالی سال اختتامیہ 31 دسمبر 2023 کے دوران کمپنی کی جانب سے 132,679 کنٹینروں کی ہینڈلنگ کی گئی جبکہ مالی سال اختتامیہ 2022 کے دوران 371,028 کنٹینروں کی ہینڈلنگ کی گئی تھی۔ آپ کی کمپنی نے کاروباری افعال کو مستحکم کرنے کے ساتھ سرانجام دیے اور کاروباری لاگت کو کم از کم سطح پر رکھتے ہوئے 6,392 ملین روپے کی آمدن حاصل کی، آپ کی کمپنی کا خام منافع 2,458 ملین روپے درج کیا گیا اور سال اختتام پر کمپنی کا صاف منافع 1,801 ملین روپے درج کیا گیا۔

Key Operating & Financial Data

	2023	2022	2021	2020	2019	2018
Statement of Profit or Loss (Rs. in Millions)						
Revenue	6,392.05	12,024.18	11,098.67	9,009.17	7,927.13	8,250.37
Gross Profit	2,458.20	5,161.04	5,160.17	4,120.66	3,458.89	3,750.99
Profit Before Taxation	3,373.85	5,003.23	4,775.90	3,764.27	3,011.05	3,290.18
Profit After Taxation	1,800.50	2,729.44	3,389.66	2,672.52	2,137.41	2,134.92
Statement of Financial Position (Rs. in Millions)						
Share Capital and reserves	1,784.85	2,167.41	2,723.48	2,455.59	2,843.73	2,299.96
Current Liabilities	4,418.67	6,072.74	4,051.31	2,318.46	1,607.39	1,608.30
Total Liabilities	4,418.67	6,142.30	4,114.91	2,376.63	1,752.59	1,868.59
Current Assets	6,203.52	7,642.81	5,479.02	3,186.65	2,406.81	1,558.58
Total Assets	6,203.52	8,309.70	6,838.38	4,832.22	4,596.32	4,168.55
Ratios						
Earnings Per Ordinary Share (Rs)	16.50	25.01	31.05	24.48	19.58	19.56
Return on Equity (%)	91.11	111.61	130.90	100.86	83.11	92.01
Debt Equity Ratio	0:100	0:100	0:100	0:100	0:100	0:100
Dividend Payout Ratio (%)	121	84	105	104	92	90

INDEPENDENT AUDITORS' REVIEW REPORT

To the members of Pakistan International Container Terminal Limited

Review Report on the Statement of Compliance contained in Listed Companies
(Code of Corporate Governance) Regulations, 2019 [the Regulations]

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Pakistan International Container Terminal Limited (the Company) for the year ended 31 December 2023 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 31 December 2023.



Chartered Accountants

Place: Karachi

Date: 17 May 2024

UDIN: CR202310120Vb9WqNQJ

Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019

For the year ended December 31, 2023

The Company has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (here-in-after referred as 'the Regulations') in the following manner:-

1. The total number of directors are seven (7) as per the following:
 - a) Male Directors: six (6)
 - b) Female Director: one (1)
2. The composition of the Board is as follows:
 - a) Independent Directors:
 - i. Mr. Gordon Alan P. Joseph
 - ii. Mr. Rune Rasmussen
 - b) Non-executive Directors:
 - i. Mr. Hans Ole Madsen - Chairman of the Board
 - ii. Mr. Arnie Dizon Tablante
 - iii. Mr. Jacob Christian Gulmann
 - iv. Mr. Bilal Shahid
 - c) Executive Director/ Chief Executive Officer:
Ms. Lirene Coloquio Mora-Suarez [Female Director]

* For the purposes of number of Independent Directors on the Board, the Company has not rounded up the fraction in one-third as onewith the view that within the existing composition of the Board comprising off four non-executive Directors, one Chief Executive Officer and with two Independent Directors , the Board is adequately independent commensurate with the need of the company.

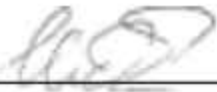
** CEO was appointed effective from 23 October 2023

3. The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company;
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;
5. The Board has developed a vision/mission statement, overall corporate strategy, and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and the Regulations;
7. The meetings of the Board were presided over by the Chairman. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meetings of the Board;
8. The Board has a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and the Regulations;
9. During the year no Director has obtained Directors Training Certification as all the Board members have already done with their training and certification;
10. The Board has approved appointment of the Chief Financial Officer (CFO) and the Head of Internal Audit including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;

11. The Chief Financial Officer and the Chief Executive Officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed the following committees comprising of members given below:
- a) Audit Committee
 - i. Mr. Rune Rasmussen, Chairman
 - ii. Mr. Arnie Dizon Tablante, Member
 - iii. Mr. Bilal Shahid, Member
 - b) Human Resource and Remuneration Committee
 - i. Mr. Gordon Alan P. Joseph, Chairman
 - ii. Mr. Hans-Ole Madsen, Member
 - iii. Ms. Lirene Coloquio Mora-Suarez, Member
 - c) Risk Management Committee
 - i. Mr. Gordon Alan P. Joseph, Chairman
 - ii. Mr. Hans-Ole Madsen, Member
 - iii. Mr. Bilal Shahid, Member
13. The terms of reference of the aforesaid committees have been formed, documented, and advised to the committees for compliance;
14. The frequency of meetings of the committees were as per following:
- a) Audit Committee [Quarterly]
 - b) Human Resource and Remuneration Committee [None]
 - c) Risk Management Committee [None]
15. The Board has set up an effective internal audit function that is considered suitably experienced for the purpose and is conversant with the policies and procedures of the Company;
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, the Chief Financial Officer, the Head of Internal Audit, the Company Secretary or the Directors of the company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, the regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard; and
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

Requirement	Reg. No.	Explanation
Approval of Company Secretary	20	The Board is looking for a suitably qualified and experienced person for the position of Company Secretary and the role is currently being performed by the Chief Financial Officer.

Requirement	Reg. No.	Explanation
Qualifications of Head of Internal Audit	23	The Head of Internal Audit does not meet the minimum qualification criteria prescribed by the Regulations. However, he has suitable experience which is sufficient given the status of the Company.
Human Resource and Remuneration Committee	28	The Human Resource and Remuneration Committee did not meet during the year as there were no matters that required its attention.



Mr. Hans-Ole Madsen
Chairman of the Board

Karachi

Dated: May 15, 2024

INDEPENDENT AUDITOR'S REPORT

To the members of Pakistan International Container Terminal Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Pakistan International Container Terminal Limited** (the Company), which comprise the statement of financial position as at 31 December 2023, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 31 December 2023 and of the profit and its comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to the matter disclosed in Note 2.3 to the accompanying financial statements, which describes the operating status of the Company post the expiry of the Concession Agreement with Karachi Port Trust in respect of built, operate and transfer arrangements. The said note also states that the management is considering different viable business opportunities, and is of the view that the current financial and liquidity condition of the Company is sufficient to meet its commitments and other operating cashflow requirements. However, the conditions stated in the aforementioned note indicate the existence of material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

S No.	Key audit matters	How our audit addressed the key audit matter
1.	<p>Contingencies</p> <p>As at the reporting date, the Company has various contingent liabilities in respect of income tax and sales tax related matters and pending litigation from the concerned authorities as disclosed in note 16 of the financial statements.</p> <p>Due to the significance of the amounts involved in such matters and the inherent uncertainties in respect of their ultimate outcome, the management judgements and estimates in relation to such contingencies may be complex. Accordingly, we have considered the contingencies as a key audit matter.</p>	<p>Our key audit procedures on contingencies included, amongst others, obtained an understanding of the management's processes and controls over litigations through meetings with the management and review of the minutes of the Board of Directors and Audit Committee:</p> <ul style="list-style-type: none"> - Obtained and reviewed confirmations from the Company's external advisors for their views on the legal position of the Company in relation to the contingencies; - Involved our internal tax professionals to assess management's conclusions on tax matters and to evaluate the consistency of such conclusions with the views of the external tax advisors engaged by the Company; and - Evaluated the adequacy of disclosures made in respect of the contingencies in accordance with the requirements of the financial reporting standards as applicable in Pakistan.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises of information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

ML

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of the Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Omer Chughtai.



Chartered Accountants

Place: Karachi

Date: 17 May 2024

UDIN: AR202310120189066AF

Statement of Financial Position

As at December 31, 2023

	Note	December 31, 2023 ----- (Rs in thousands) -----	December 31, 2022
NON-CURRENT ASSETS			
Property, plant and equipment	4	-	623,717
Intangibles	5	-	43,176
		-	666,893
CURRENT ASSETS			
Stores, spare parts and loose tools - net	6	-	571,821
Trade debts - net	7	9,533	648,929
Advances	8	66,183	7,270
Deposits, prepayments and other receivables	9	844,553	252,814
Short-term investments - net	10	-	-
Taxation - net		100,615	-
Cash and bank balances	11	5,182,634	6,061,976
		6,203,518	7,542,810
TOTAL ASSETS		6,203,518	8,209,703
SHARE CAPITAL AND RESERVES			
Issued, subscribed and paid-up capital	12.2	1,091,532	1,091,532
Reserves	12.3	693,314	1,075,873
		1,784,846	2,167,405
NON-CURRENT LIABILITIES			
Deferred Liability	13	-	69,556
CURRENT LIABILITIES			
Trade and other payables	14	2,730,671	3,129,954
Unclaimed dividends		133,265	79,152
Unpaid dividends	15	1,548,450	2,330,418
Current portion of deferred liability		6,286	-
Taxation - net		-	433,218
		4,418,672	5,972,742
TOTAL EQUITY AND LIABILITIES		6,203,518	8,209,703
CONTINGENCIES AND COMMITMENTS	16		

The annexed notes from 1 to 34 form an integral part of these financial statements.


Chief Executive Officer


Chief Financial Officer


Director

Statement of Profit or Loss

For the year ended December 31, 2023

	Note	December 31, 2023 ----- (Rs in thousands) -----	December 31, 2022
Revenue - net	17	6,392,051	12,024,182
Cost of services	18	(3,933,855)	(6,863,138)
Gross profit		2,458,196	5,161,044
Administrative expenses	19	(422,847)	(625,980)
Other expenses	20	(119,837)	(76,518)
Finance costs	21	(1,833)	(1,625)
Other income	22	1,460,170	546,313
Profit before taxation		3,373,849	5,003,234
Taxation	23	(1,573,345)	(2,273,794)
Profit after taxation		1,800,504	2,729,440
		----- (Rupees) -----	
Earnings per ordinary share - basic and diluted	24	16.50	25.01

The annexed notes from 1 to 34 form an integral part of these financial statements.


Chief Executive Officer


Chief Financial Officer


Director

Statement of Comprehensive Income

For the year ended December 31, 2023

	December 31, 2023	December 31, 2022
	----- (Rs in thousands) -----	
Profit after taxation	1,800,504	2,729,440
Other comprehensive income	-	-
Total comprehensive income	1,800,504	2,729,440

The annexed notes from 1 to 34 form an integral part of these financial statements.



Chief Executive Officer



Chief Financial Officer



Director

Statement of Changes in Equity

For the year ended December 31, 2023

	Issued, subscribed and paid-up capital	Capital reserve	Revenue reserve	Total reserves	Total
		Capital redemption reserve fund	Unappropriated profits		
(Rs in thousands)					
Balance as at December 31, 2021	1,091,532	180,000	1,451,943	1,631,943	2,723,475
Profit after taxation	-	-	2,729,440	2,729,440	2,729,440
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	2,729,440	2,729,440	2,729,440
Final cash dividend for the year ended December 31, 2021 @ Rs 9.00/- per ordinary share	-	-	(982,378)	(982,378)	(982,378)
Interim cash dividend for the quarter ended March 31, 2022 @ Rs 8.5/- per ordinary share	-	-	(927,802)	(927,802)	(927,802)
Interim cash dividend for the quarter ended June 30, 2022 @ Rs 5/- per ordinary share	-	-	(545,766)	(545,766)	(545,766)
Interim cash dividend for the quarter ended September 30, 2022 @ Rs 7.6/- per ordinary share	-	-	(829,564)	(829,564)	(829,564)
Balance as at December 31, 2022	1,091,532	180,000	895,873	1,075,873	2,167,405
Profit after taxation	-	-	1,800,504	1,800,504	1,800,504
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	1,800,504	1,800,504	1,800,504
Interim cash dividend for the quarter ended June 30, 2023 @ Rs 20.00/- per ordinary share	-	-	(2,183,063)	(2,183,063)	(2,183,063)
Balance as at December 31, 2023	1,091,532	180,000	513,314	693,314	1,784,846

The annexed notes from 1 to 34 form an integral part of these financial statements.

Chief Executive Officer

Chief Financial Officer

Director

Statement of Cash Flows

For the year ended December 31, 2023

	Note	December 31, 2023 ----- (Rs in thousands) -----	December 31, 2022
CASH FLOWS FROM OPERATING ACTIVITIES			
	29	2,841,321	5,884,188
Taxes paid		(2,107,173)	(1,567,641)
Compensated leaves paid	13.1	(67,144)	(1,954)
Finance costs paid		(1,833)	(1,625)
Net cash generated from operating activities		665,171	4,312,968
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(58,495)	(382,777)
Proceeds from disposal of operating fixed assets		7,565	19,367
Markup on savings accounts received		1,417,334	444,845
Net cash generated from / (used in) investing activities		1,366,404	81,435
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(2,910,917)	(2,464,852)
Net cash used in financing activities		(2,910,917)	(2,464,852)
Net (decrease) / increase in cash and cash equivalents		(879,342)	1,929,551
Cash and cash equivalents at the beginning of the year		6,061,976	4,132,425
Cash and cash equivalents at the end of the year	11	5,182,634	6,061,976

The annexed notes from 1 to 34 form an integral part of these financial statements.



Chief Executive Officer



Chief Financial Officer



Director

Notes to the Financial Statements

For the year ended December 31, 2023

1. CORPORATE INFORMATION AND OPERATIONS

- 1.1. Pakistan International Container Terminal Limited (the Company) was incorporated in Pakistan and is listed on Pakistan Stock Exchange Limited. The registered office of the Company is situated at Plot no. 25/1-A, Street no. 5, Muslimabad, Jamshed Town, Karachi.
- 1.2. The Company is a subsidiary of ICTSI Mauritius Limited whereas its ultimate parent company is International Container Terminal Services Inc., a company incorporated in Philippines.
- 1.3. The Build, Operate and Transfer (BOT) "Concession Agreement" which the Company had with Karachi Port Trust (KPT) for the exclusive construction, development, operations and management of a common user container terminal at Karachi Port was for a period of twenty-one years commencing June 18, 2002. This Concession Agreement expired on June 17, 2023 and the terminal has been taken over by KPT on June 18, 2023. In accordance with the Concession Agreement between KPT and PICT, PICT is required to keep its legal existence for a minimum of 3 years following the expiry of the Concession Agreement. During this period, the Company is on a regular basis scanning the market for any financially attractive business opportunities compatible with related provisions in its constitutional document. The Company was actively involved in a complex handover procedure with KPT, including the smooth transition to the new Concession holder and the work was being performed on a cost compensatory basis.

2. BASIS OF PREPARATION

2.1. Statement of compliance


These financial statements have been prepared in accordance with the requirements of approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and Islamic Financial Accounting Standards (IFASs) issued by Institute of Chartered Accountants of Pakistan (ICAP), as are notified under the Companies Act, 2017 (the Act) and provisions of and directives issued under the Act. In case requirements differ, the provisions and directives of the Act, shall prevail.

2.2. Basis of measurement

These financial statements have been prepared under the historical cost convention unless otherwise specifically stated.

2.3. Expiry of Concession Agreement and Going Concern Assumption

The Concession Agreement with KPT in respect of built, operate and transfer on berths 6 to 9 which was for a period of twenty-one years commencing June 18, 2002 expired on June 17, 2023. Since the past several years, the Company had raised the matter for early extension in Concession term and expansion of infrastructure, with KPT and other relevant quarters of the Government of Pakistan based on the precedent existing whereby KPT had provided early extension in the Concession term and expansion in the infrastructure to another Container Terminal. The Company took legal actions to protect the rights of the Company and to pursue extension of the concession agreement. The Company had instituted a legal suit before the Honorable High Court of Sindh (HCS) seeking extension of the concession term. However, this legal suit culminated vide the order of the HCS after various hearings in June 2023, whereby the Company's appeal was dismissed by the larger bench of HCS. The terminal operated by the Company at Berths 6 to 9 pursuant to the Concession Agreement was its key operational asset and the fundamentals of future business operations have ceased with the expiry of the Concession Agreement. However,



in accordance with the concession agreement, the Company is required to keep its legal existence for a minimum of 3 years from the expiry of the concession agreement. In view of the above circumstances, the Board of Directors (BoD) has assessed the going concern status of the Company and its appropriateness in the preparation of these financial statements. For this purpose, the BoD has considered the following factors:

- i) the management of the Company is evaluating an expression of interest received from a company which is a license holder of an Off Dock Terminal issued by Pakistan Customs ('the Licensee') and is seeking technical cum management services in relation to operations and container handling proposed to be carried on by the Licensee. In the event, the management concludes that the above business proposition is not feasible or implementable due to legal or other reasons, the management would identify new business opportunities with the support of its parent entity with the aim to continue its business interest in Pakistan;
- ii) the financial and liquidity condition of the Company are sufficient to meet its commitments in the foreseeable future and is also complimented through letter of financial support from the parent entity; and
- iii) the financial projections of the Company prepared for the period up to 30 June 2025 are based on the assumption that the business opportunity referred to in point (i) above is likely to materialize.

The above facts and circumstances indicate the existence of material uncertainties in relation to the implementation of the business plan and hence cast significant doubt on the Company's ability to continue as a going concern. However, after considering the above factors, these financial statements are prepared on a going concern basis.

Moreover, the Company in accordance with its accounting policies has also performed a comprehensive analysis of any potential adjustments in these financial statements and have incorporated the same where required.

2.4. Adoption of amendments to approved accounting standards effective during the year

There are certain amendments issued by International Accounting Standards Board (IASB) that are mandatory for the Company's accounting periods beginning on or after January 01, 2023 but are considered not to be relevant or do not have any significant effect on the Company's operations and therefore not detailed in these financial statements, except as described below:

IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies (Amendments)

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's financial statements.

2.5. Standards and amendments to approved accounting standards that are not yet effective

The following standards and amendments with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Notes to the Financial Statements

For the year ended December 31, 2023

Standards interpretations and amendments		IASB Effective date (annual periods beginning on or after)
IAS 1	- Classification of Liabilities as Current or Non-current (Amendments)	January 01, 2024
IFRS 16	- Lease Liability in a Sale and Leaseback (Amendments)	January 01, 2024
IAS 7 and IFRS 7	- Disclosures: Supplier Finance Arrangements (Amendments)	January 01, 2024
IFRS 17	- Insurance Contracts	January 01, 2026
IFRS 10 / IAS 28	- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalised
IAS 21	- Lack of exchangeability – Amendments	January 01, 2025

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard		IASB effective date (annual periods beginning on or after)
IFRS 1	- First-time Adoption of International Financial Reporting Standards	January 01, 2004
IFRS 18	- Presentation and Disclosure in Financial Statements	January 01, 2027

2.6. Significant accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. In the process of applying the Company's accounting policies, the management has made the following estimates and judgments which are significant to the financial statements:

- taxation (note 3.4);
- determining the method of depreciation, residual values and useful lives of operating fixed assets (note 3.1);
- intangibles (note 5);
- determining the provision for obsolescence of stores, spare parts and loose tools (note 6);
- determining the allowance for expected credit losses (note 7);
- recognition of provision of deferred liability (note 13); and
- expected outcome of contingencies (note 16.1).


3. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies adopted by the Company in the preparation of these financial statements are as follows:

3.1. Property, plant and equipment

3.1.1. Operating fixed assets

These are stated at cost less accumulated depreciation and accumulated impairment losses, if any.



Depreciation is charged to statement of profit or loss using straight line method so as to write off the historical cost of the assets less their estimated residual values over their estimated useful lives or the remaining term of the Concession Agreement, whichever is lower, at the rates specified in note 4.1 to these financial statements. The Company was bound to transfer certain assets to KPT under the Concession agreement.

3.1.2. Capital work-in-progress

These are stated at cost less any impairment in value. All expenditures connected with specific assets incurred during installation and construction period including advances to suppliers and contractors are carried under this head. These are transferred to specific assets as and when these assets are available for use.

3.2. Stores, spare parts and loose tools

Cost is determined using first-in-first-out (FIFO) basis except for those in transit which are stated at invoice price plus other charges paid thereon up to the reporting date. Provision is made annually in the financial statements for slow moving and obsolete items if required.

3.3. Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of statement of cash flows, cash and cash equivalents consist cash in hand and balances with banks.

3.4. Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxation in accordance with the Income Tax Ordinance, 2001 after considering rebates and tax credits available, if any, and includes adjustments to charge for prior years, if any.

In making the estimates for income taxes, the Company takes into account the current income tax law and decisions taken by appellate authorities on certain issues in the past. There may be various matters where the Company's view differs with the view taken by the income tax department at the assessment stage and where the Company considers that its view on items of a material nature is in accordance with the law. The difference between the potential and actual tax charge, if any, is disclosed as a contingent liability.

Deferred

Deferred tax is recognised using the balance sheet liability method, on all major temporary differences arising at the reporting date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that the future taxable profits will be available against which the assets may be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The carrying amount of deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recognised. Unrecognized deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow deferred tax asset to be recovered.

Notes to the Financial Statements

For the year ended December 31, 2023

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Significant management judgement is required to determine the amount of deferred tax that can be recognised, based upon the likely timing and the level of future taxable profits. The management consider tax consequences that would follow from the manner in which the entity expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3.5. Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted prospectively to reflect the current best estimate.

3.6. Segment reporting

These financial statements have been prepared on the basis of single reportable segment which is consistent with the internal reporting of the Company.

3.7. Functional and presentation currency

These financial statements are presented in Pakistani Rupee which is the Company's functional and presentation currency.

3.8. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assets

Financial assets include trade debts, advances, deposits, short term investments and other receivables that are carried at amortized cost.

Impairment / expected credit loss (ECL) on financial assets

The Company considers a financial asset in default when contractual payments are 180 days past due. The Company recognizes expected credit loss allowance based on simplified approach for its financial assets measured at amortized cost.

ii) Financial liabilities

Financial liabilities include trade creditors, technical service fee payable, staff related liabilities, payable to port authorities, advances from customers, workers welfare fund payable and sales tax payable that are carried at amortized cost.

3.9. Revenue

As per the business principles, revenue from contracts with customers is recognised net of rebates, if any, when services are rendered to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services.

The performance obligations of port berth operations are satisfied, and payment is generally due upon completion and billing of the services.

3.10. Other income

Profit on deposits / saving accounts are recognised on effective interest rate basis. Other income is recognised on accrual basis.

	Note	December 31, 2023	December 31, 2022
		----- (Rs in thousands) -----	
4. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	4.1	-	375,833
Capital work-in-progress	4.2	-	247,884
		<u>-</u>	<u>623,717</u>

4.1. Operating fixed assets

	DECEMBER 31, 2023										
	COST			ACCUMULATED DEPRECIATION							Depreciation rate per annum %
	As at January 01, 2023	Additions / *transfers from capital work-in- progress	Disposals	As at December 31, 2023	As at January 01, 2023	Charge for the year (note 4.1.2)	Disposals (4.1.3)	As at December 31, 2023	Written down value as at December 31, 2023		
Leasehold land & building	247,547	-	-	247,547	237,901	9,646	-	247,547	-	8.33	
Leasehold improvements	1,935,627	*23,611	(1,959,238)	-	1,890,710	68,528	(1,959,238)	-	-	5-20	
Container / terminal handling / workshop equipment**	5,852,652	2,551 *110,445	(3,262,379)	2,703,278	5,593,854	371,794	(3,262,379)	2,703,278	-	5-20	
Port power generation	687,377	*90,547	(777,924)	-	655,178	122,748	(777,924)	-	-	5-10	
Vehicles	27,371	241	(27,612)	-	21,192	6,420	(27,612)	-	-	20	
Computers and other equipment	384,917	30,431 *48,553	(448,511)	15,300	363,025	100,856	(448,491)	15,390	-	10-33.33	
Furniture and fixtures	33,461	-	(33,461)	-	31,259	2,202	(33,461)	-	-	10-33.33	
	<u>9,168,952</u>	<u>33,223</u> <u>*273,156</u>	<u>(6,509,116)</u>	<u>2,966,215</u>	<u>8,793,119</u>	<u>682,192</u>	<u>(6,509,096)</u>	<u>2,966,215</u>	-		
Total	<u>9,168,952</u>	<u>306,370</u>	<u>(6,509,116)</u>	<u>2,966,215</u>	<u>8,793,119</u>	<u>682,192</u>	<u>(6,509,096)</u>	<u>2,966,215</u>	-		

Notes to the Financial Statements

For the year ended December 31, 2023

	DECEMBER 31, 2022									
	COST			ACCUMULATED DEPRECIATION						
	As at January 01, 2022	Additions / *transfers from capital work-in-progress	Disposals	As at December 31, 2022	As at January 01, 2022	Charge for the year (note 4.1.2)	Disposals	As at December 31, 2022	Written down value as at December 31, 2022	Depreciation rate per annum %
	(Rs in thousands)									
Leasehold land & building	247,547	-	-	247,547	214,749	23,152	-	237,901	9,646	8.33
Leasehold improvements	1,934,875	205 * 570	(23)	1,935,627	1,776,330	114,399	(19)	1,890,710	44,917	5-20
Container / terminal handling / workshop equipment**	5,633,257	40,207 * 263,983	(84,795)	5,852,652	5,096,281	582,368	(84,795)	5,593,854	258,798	5-20
Port power generation	664,037	460 * 22,880	-	687,377	576,020	79,158	-	655,178	32,199	5-10
Vehicles	20,097	6,805 * 686	(217)	27,371	18,731	2,639	(178)	21,192	6,179	20
Computers and other equipment	358,102	28,179 * 987	(2,351)	384,917	321,473	43,541	(1,989)	363,025	21,892	10-33.33
Furniture and fixtures	38,991	942	(6,472)	33,461	35,564	1,790	(6,095)	31,259	2,262	10-33.33
	<u>8,896,906</u>	<u>76,798 * 289,106</u>	<u>(93,858)</u>	<u>9,168,952</u>	<u>8,039,148</u>	<u>847,047</u>	<u>(93,076)</u>	<u>8,793,119</u>	<u>375,833</u>	
Total:	<u>8,896,906</u>	<u>365,904</u>	<u>(93,858)</u>	<u>9,168,952</u>	<u>8,039,148</u>	<u>847,047</u>	<u>(93,076)</u>	<u>8,793,119</u>	<u>375,833</u>	

* Transfers from capital work-in-progress.

4.1.1. Disposals of operating fixed assets

Particulars	Cost	Accumulated depreciation	Written down value	Sale proceeds	Gain / (loss)	Particulars of Buyer	Mode of Disposal
					on disposals - net		
(Rs in thousands)							
Items having written down value of less than Rs5,000,000/-							
2023	6,509,561	6,509,544	17	7,564	7,547	Various	Various
2022	93,858	93,076	782	19,367	18,585	Various	Various

4.1.2. Depreciation charge for the year has been allocated as under:

	Note	December 31, 2023	December 31, 2022
		(Rs in thousands)	
Cost of services	18	613,974	762,342
Administrative expenses	19	68,218	84,705
		<u>682,192</u>	<u>847,047</u>

4.1.3. This includes transfer of concession assets upon expiry of Concession Agreement at a token value of Re 1 .

	Note	December 31, 2023	December 31, 2022
		----- (Rs in thousands) -----	
4.2. Capital work-in-progress			
4.2.1. Movement			
Opening balance		247,884	275,287
Additions during the year		44,913	261,703
Transferred to operating fixed assets		(273,156)	(289,106)
Transferred to expenses		(19,641)	-
Closing balance	4.2.2	-	247,884

4.2.2. Category wise breakup

Leasehold improvements	-	38,903
Container / terminal handling / workshop equipment	-	112,028
Port power generation	-	89,890
Vehicles	-	-
Computers and other equipment	-	7,063
		<u>247,884</u>

5. INTANGIBLES

Intangibles	5.1	-	43,176
-------------	-----	---	--------

5.1. Intangibles

	DECEMBER 31, 2023								
	ACCUMULATED AMORTIZATION							Written down value as at December 31, 2023	Amortisation rate per annum %
	As at January 01, 2023	Disposals	As at December 31, 2023	As at January 01, 2023	Charge for the year (note 5.2)	Disposals (5.3)	As at December 31, 2023		
	(Rs in thousands)								
Computer software	285,680	(169,526)	116,154	242,504	43,176	(169,526)	116,154	-	20-33.33
Project development cost	37,889	-	37,889	37,889	-	-	37,889	-	20
Total	323,569	(169,526)	154,043	280,393	43,176	(169,526)	154,043	-	

	DECEMBER 31, 2022								
	COST			ACCUMULATED AMORTISATION				Written down value as at December 31, 2022	Amortization rate per annum %
	As at January 01, 2022	Additions	As at December 31, 2022	As at January 01, 2022	Charge for the year (note 5.2)	As at December 31, 2022			
	(Rs in thousands)								
Computer software	241,404	44,276	285,680	219,825	22,679	242,504	43,176	20-33.33	
Project development cost	37,889	-	37,889	37,889	-	37,889	-	20	
Total	279,293	44,276	323,569	257,714	22,679	280,393	43,176		

Notes to the Financial Statements

For the year ended December 31, 2023

5.2. Amortisation charge for the year has been allocated as under:

		December 31, 2023	December 31, 2022
	Note	----- (Rs in thousands) -----	
Cost of services	18	38,858	20,411
Administrative expenses	19	4,318	2,268
		<u>43,176</u>	<u>22,679</u>

5.3. This includes transfer of concession assets upon expiry of Concession Agreement at a token value of Re 1 .

		December 31, 2023	December 31, 2022
	Note	----- (Rs in thousands) -----	
6. STORES, SPARE PARTS AND LOOSE TOOLS - net			
Stores, spare parts and loose tools	6.1	221,812	560,847
Fuel and lubricants		-	40,069
		<u>221,812</u>	<u>600,916</u>
Provision for obsolescence		<u>(221,812)</u>	<u>(29,095)</u>
		<u>-</u>	<u>571,821</u>

6.1 Stores, spares and loose tools amounting Rs 294.44 million were transferred upon expiry of Concession Agreement at the token value of Re 1.

		December 31, 2023	December 31, 2022
	Note	----- (Rs in thousands) -----	
7. TRADE DEBTS - net			
Unsecured			
Considered good	7.2	9,533	648,929
Considered doubtful		13,188	1,474
		<u>22,721</u>	<u>650,403</u>
Allowance for expected credit losses	7.1	<u>(13,188)</u>	<u>(1,475)</u>
		<u>9,533</u>	<u>648,929</u>

7.1. The aging of unimpaired trade debts as at December 31 is as follows:

	Neither past due nor impaired	Past due but not impaired		
		Within 90 days	91 to 180 days	Over 180 days
Total		----- (Rs in thousands) -----		
Related parties	-	-	-	-
Other than related parties 2023	9,533	-	5,447	4,086
	<u>9,533</u>	<u>-</u>	<u>5,447</u>	<u>4,086</u>
Related parties	3,278	2,255	665	358
Other than related parties 2022	645,651	591,596	51,053	1,763
	<u>648,929</u>	<u>593,851</u>	<u>51,718</u>	<u>1,763</u>

7.2. These are generally on a term ranging from 15 to 60 days.

		December 31, 2023	December 31, 2022
	Note	----- (Rs in thousands) -----	
8. ADVANCES			
Unsecured, considered good			
Suppliers and contractors	8.1	66,147	5,263
Employees		36	2,007
		<u>66,183</u>	<u>7,270</u>

8.1 This includes advances made to fuel suppliers.

9. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	Note	December 31, 2023 ----- (Rs in thousands) -----	December 31, 2022
Deposits – considered good		29,619	28,314
Prepayments		1,852	121,977
Other Receivables - considered good			
Insurance claim receivable		-	2,124
Accrued markup		85,974	72,560
Receivable from KGTL	9.1	582,205	-
Others		144,903	27,839
		<u>813,082</u>	<u>102,523</u>
		<u>844,553</u>	<u>252,814</u>

9.1. This represents amount due from Karachi Gateway Terminal Limited (KGTL) against terminal management services under Management Services Agreement.

10. SHORT-TERM INVESTMENTS – net

Amortised cost

	Note	December 31, 2023 ----- (Rs in thousands) -----	December 31, 2022
Certificate of investments (COIs)		43,000	43,000
Allowance for expected credit losses	10.1	(43,000)	(43,000)
		<u>-</u>	<u>-</u>

10.1. Represents investment in COIs of Saudi Pak Leasing Company (the investee company). The investee company made default in repayment against COIs in August 2009 due to serious financial and liquidity crunch reportedly being faced by it. Due to uncertainties involved, the Company as a matter of prudence has carried impairment provision in these financial statements. However, the Company is continuously pursuing for the recovery of the investments amount.

11. CASH AND BANK BALANCES

	Note	December 31, 2023 ----- (Rs in thousands) -----	December 31, 2022
With banks in:			
current accounts		96,714	91,041
savings accounts	11.1	5,084,672	5,851,555
	11.2	5,181,386	5,942,596
Cash and pay orders in hand		1,248	119,380
		<u>5,182,634</u>	<u>6,061,976</u>

11.1 These carry profit at rates ranging from 19.5 to 20.5 percent (2022: 8.25 to 15.80 percent) per annum.

11.2 This includes Rs 4,580.87 million (2022: Rs 5,557.34 million) deposited with Islamic shariah compliant banks.

Notes to the Financial Statements

For the year ended December 31, 2023

12. SHARE CAPITAL

12.1. Authorised capital

December 31, 2023	December 31, 2022		December 31, 2023	December 31, 2022
---- (Number of shares) ----			----- (Rs in thousands) -----	
182,000,000	182,000,000	Ordinary shares of Rs 10/- each	1,820,000	1,820,000
18,000,000	18,000,000	Preference shares of Rs 10/- each	180,000	180,000
<u>200,000,000</u>	<u>200,000,000</u>		<u>2,000,000</u>	<u>2,000,000</u>

12.2. Issued, subscribed and paid-up capital

December 31, 2023	December 31, 2022		December 31, 2023	December 31, 2022
---- (Number of shares) ----		Note	----- (Rs in thousands) -----	
		Ordinary shares of Rs 10/- each		
63,761,200	63,761,200	issued for cash	637,612	637,612
33,352,352	33,352,352	issued as bonus shares	333,524	333,524
12,039,600	12,039,600	issued for consideration other than cash	120,396	120,396
<u>109,153,152</u>	<u>109,153,152</u>	12.2.1	<u>1,091,532</u>	<u>1,091,532</u>

12.2.1. Represent shares issued in consideration for mobile harbour cranes, port equipment and a vehicle to Premier Mercantile Services (Pvt) Limited.

12.2.2. The voting rights are in proportion to shareholding of the shareholders.

		December 31, 2023	December 31, 2022
	Note	----- (Rs in thousands) -----	
12.3. Reserves			
Capital reserve			
Capital redemption reserve fund	12.3.1	180,000	180,000
Revenue reserve			
Unappropriated profits	12.3.2	513,314	895,873
		<u>693,314</u>	<u>1,075,873</u>

12.3.1. The capital redemption reserve fund can be utilized by the Company in accordance with the provisions of the Companies Act, 2017 and any applicable regulations therein.

12.3.2. The shareholders are entitled to receive all distributions including dividends and other entitlements in the form of bonus and right shares as and when declared by the Company.

13. DEFERRED LIABILITY

	Note	December 31, 2023	December 31, 2022
		----- (Rs in thousands) -----	
Provision for compensated leave absences	13.1	-	69,556

13.1. Movement

Opening balance	69,556	63,597
Accrual made during the year	3,874	7,913
	<u>73,430</u>	<u>71,510</u>
Payments made during the year	(67,144)	(1,954)
Current portion of deferred liability	(6,286)	-
Closing balance	-	69,556

		December 31, 2023	December 31, 2022
	Note	----- (Rs in thousands) -----	
14. TRADE AND OTHER PAYABLES			
Trade creditors	14.1	745,677	718,514
Technical services fee payable	14.2	-	309,513
Staff related liabilities		-	145,543
Payable to port authorities		45,709	574,876
Accrued liabilities		1,482,798	876,326
Other liabilities:			
Advances from customers		40,808	143,018
Workers' Welfare Fund		329,541	329,541
Sales tax payable		4,092	26,380
Others		82,046	6,243
		456,487	505,182
		<u>2,730,671</u>	<u>3,129,954</u>

14.1. This includes Rs 355.54 million (2022: Rs 206.12 million) payable to ICTSI, Inc., Rs 69.26 million (2022: Rs 55.12 million) payable to ICTSI Limited - ROHQ, Rs 53.72 million (2022: Rs 39.44 million) payable to ICTSI Limited, Rs 1.85 million (2022: Rs 0.40 million) payable to ICTSI Middle East DMCC.

14.2. This represents technical services fee payable to ICTSI Mauritius Limited.

15. UNPAID DIVIDENDS

15.1. Represents interim cash dividend for the year ended December 31, 2023 which remained unpaid to the Company's foreign shareholders including associated companies due to pending regulatory approvals.

16. CONTINGENCIES AND COMMITMENTS

16.1. Contingencies

16.1.1. The Trustees of the Port of Karachi (KPT) filed a civil suit 1201/2006 against the Company on September 13, 2006, in the Honourable High Court of Sindh (HCS) claiming a sum of Rs 304.5 million along with the interest, as default payment of wharfage and penalty thereon, for the alleged mis-declaration of the category of goods on the import of Ship to Shore Cranes and Rubber Tyre Gantry Cranes in 2004. On April 24, 2017, HCS passed the judgment and decree in favor of the Company and ordered that KPT is not entitled to the amount of wharfage charges claimed by it. On June 03, 2017, KPT filed an appeal 287/2017 against the aforesaid HCS' judgment before the Divisional Bench of HCS. Upon advice of the Company's legal advisor, management believes that there is no merit in this claim and accordingly no provision in respect of above has been made in these financial statements.

16.1.2. The Company has filed an interpleader civil suit 827/2007 on June 29, 2007 before HCS against the Deputy District Officer, Excise and Taxation (DDO) and the Trustees of KPT in respect of demand raised by the DDO on the Company to pay property tax out of the Handling, Marshalling and Storage (HMS) charges payable to KPT amounting to Rs 34.6 million for the period from 2003 to 2007. In compliance with the Order of HCS, the Company deposited the amount with Nazir of HCS, out of amount withheld by the Company from HMS charges billed by KPT. In 2014, another demand was made by the DDO amounting to Rs 96.1 million for the period 2008 to 2014. On an application filed by the Company for directions, HCS ordered for deposit of the aforementioned amount out of HMS charges billed by KPT. The Company complied with the order of HCS. In 2015, HCS issued further orders directing the Company to deposit the remaining HMS charges due and payable with Nazir of HCS in quarterly installments. Accordingly, the Company complied with the order of HCS. The amount deposited with Nazir of HCS is netted off with the HMS charges payable to KPT. The decision of the suit is still pending and the Company's legal advisor believes that there may be no adverse implication for depositing the payments due to KPT with Nazir of HCS in view of complying with the HCS's order. Accordingly, no provision has been made in this respect in these financial statements.

Notes to the Financial Statements

For the year ended December 31, 2023

- 16.1.3.** In 2017, the Assistant Commissioner Sindh Revenue Board (AC-SRB) under Sindh Sales Tax on Services Act, 2011 raised a demand of Rs 514.4 million along with penalty and default surcharge, for tax periods January 2013 to December 2014 on exempt services provided by the Company. The Company filed an appeal with Commissioner Appeals - SRB which is pending for hearing. The tax advisor of the Company is of the view that the Company has a strong defence and appeal will be decided in favor of the Company. Accordingly, the Company has not made any provision in respect of the above demand in these financial statements.
- 16.1.4.** In 2017, the Additional Commissioner Inland Revenue (ACIR) amended the deemed assessment of the Company for the tax year 2016 by passing an order under section 122(5) of the Income Tax Ordinance, 2001 and made certain disallowances / additions to the taxable income and tax credits claimed by the Company and raised an income tax demand of Rs 222.2 million. The Company filed an appeal before CIR-A who had decided the appeal partly in favor of the Company. Being aggrieved by the decision of CIR-A, the Company as well as the tax department filed the appeals before ATIR which are pending for adjudication. The Company has also sought stay from HCS against the demand created by ACIR after appeal effect proceedings. HCS vide its final order directed the ACIR not to take any coercive recovery measures till the finalization of appeal before the ATIR which is pending for adjudication. The tax advisor of the Company is of the view that the issues involved in the appeal will be decided in favor of the Company. Accordingly, no provision in respect of excess demand raised by ACIR has been made in these financial statements.
- 16.1.5.** Section 14A of Customs Act, 1969 was amended through Finance Act, 2013 effective from July 01, 2013, according to which port authorities shall provide at its own cost adequate security and accommodation to customs staff for residential purposes, offices, examination charges, detention and storage of goods and for other departmental requirements to be determined by the Collector of Customs and shall pay utility bills, rent and taxes in respect of such accommodation. The Company through its legal advisor filed a joint petition with other terminal operators and challenged the applicability of the aforementioned amendment in law before High Court of Sindh (HCS) which granted an interim order in favor of the terminals in November 2013. In January 2020, HCS dismissed the joint petition, however, suspended the judgment for filing an appeal before the Supreme Court of Pakistan (SCP). The Company has filed a joint Civil Appeal with other terminal operators challenging the impugned HCS Judgement before SCP. On March 03, 2020, SCP suspended the operation of the impugned judgment and granted leave to appeal. The legal advisor of the Company is of the opinion that the Company has a reasonable chance of success in this case. Accordingly, no provision has been made in this respect in these financial statements.
- 16.1.6.** In 2020, while completing the audit proceedings for the tax year 2015, DCIR amended the deemed assessment of the Company by passing an order under section 122(1) of the Income Tax Ordinance, 2001 and made certain disallowances/additions to the taxable income and tax credits claimed by the Company and raised an income tax demand of Rs 499.290 million. The Company filed an appeal before CIR-A who partly decided the appeal in favor of the Company. Being aggrieved by the decision of CIR-A, the Company filed the appeal before ATIR which is pending for adjudication. The tax advisor of the Company is of the view that the issues involved in the appeal will be decided in favor of the Company. Accordingly, no provision in respect of the aforementioned demand raised by DCIR has been made in the financial statements.
- 16.1.7.** In 2023, the Deputy Commissioner Sindh Revenue Board (DC-SRB) issued show cause notices for the financial year 2016 and 2017 under Sindh Sales Tax on Services Act, 2011 wherein demand of Rs 323 million and Rs 246 million have been raised on exempt services provided by the Company. The Company challenged the subject notices before HCS and has sought stay against the demand. The tax advisor of the Company is of the view that the Company has a strong defence. Accordingly, the Company has not made any provision in respect of the above amounts in these financial statements.

16.1.8. In 2023, ACIR amended the deemed assessment of the Company for the tax year 2022 by passing an order under section 122(5A) of the Income Tax Ordinance, 2001 and made certain disallowances / additions to the taxable income and raised an income tax demand of Rs 216.19 million. Being aggrieved by the decision of ACIR, the Company filed the appeal before CIR-A which is pending for adjudication before CIR(A). The tax advisor of the Company is of the view that the issues involved in the appeal will be decided in favor of the Company. Accordingly, no provision in respect of the aforementioned demand raised by ACIR has been made in these financial statements.

16.1.9. The Company is defending various suits, other than those disclosed above, filed against it in various courts in Pakistan. The Company's management is confident, based on the advice of its legal advisors, that these suits will be decided in the Company's favor.

	Note	December 31, 2023 ----- (Rs in thousands) -----	December 31, 2022
16.2. Commitments			
16.2.1. Commitments for capital expenditure		-	86,714
16.2.2. Outstanding letters of guarantees		279,354	392,789
16.2.3. Letters of credit			
Utilised		-	130,733
Unutilised		300,000	169,267
17. REVENUE			
Revenue from port operations		7,120,549	13,790,361
Terminal management fee		102,469	-
Sales tax	17.1	(830,967)	(1,766,179)
		<u>6,392,051</u>	<u>12,024,182</u>

17.1. Includes Rs 29.78 million (2022: Rs, 76.56 million) collected from customers on behalf of KPT in respect of sales tax on wharfage charges.

	Note	December 31, 2023 ----- (Rs in thousands) -----	December 31, 2022
18. COST OF SERVICES			
Salaries, wages and other benefits		440,054	699,293
Provident fund contribution		9,396	18,133
Staff training		-	2,531
Terminal handling and services		350,326	733,165
Royalty	18.1	573,111	1,204,723
Handling, Marshalling and storage charges	16.1.2	171,874	214,248
Fuel and power		740,203	1,336,053
Stores, spares and other maintenance charges		509,296	497,730
Provision for obsolescence in stores, spare parts and loose tools		192,717	-
Technical services fee		-	707,305
Rent, rates and taxes		90,607	296,498
Insurance		77,265	199,326
Software maintenance charges		76,853	102,751
Office maintenance		17,833	21,820
Travelling, conveyance and vehicle running expenses		11,221	24,806
Communication, printing and stationery		1,133	2,787
Utilities		205	1,169
Depreciation and amortisation	4.1.3 & 5.2	652,832	782,753
Others		18,929	18,047
		<u>3,933,855</u>	<u>6,863,138</u>

18.1. Royalty paid to KPT under the Concession Agreement.

Notes to the Financial Statements

For the year ended December 31, 2023

	Note	December 31, 2023 ----- (Rs in thousands) -----	December 31, 2022
19. ADMINISTRATIVE EXPENSES			
Salaries, wages and other benefits		59,478	183,832
Provident fund contribution		4,596	8,869
Travelling, conveyance and vehicle running expenses		19,123	42,277
Legal and professional charges		64,899	15,847
Auditors' remuneration	19.1	18,599	12,870
Security expenses		26,325	44,637
Insurance		6,513	17,353
Office maintenance		53,330	65,254
Advertising and public relations		7,675	34,992
Communication, printing and stationery		12,742	31,369
Utilities		961	5,468
Depreciation and amortization	4.1.3 & 5.2	72,536	86,973
Fees and subscription		15,353	17,895
Others		60,717	58,344
		<u>422,847</u>	<u>625,980</u>
19.1. Auditors' remuneration			
Statutory Audit Fee		3,019	2,415
Limited scope reviews and other certifications		5,305	3,051
Tax advisory services		9,385	6,702
Out of pocket expenses		890	702
		<u>18,599</u>	<u>12,870</u>
20. OTHER EXPENSES			
Charge for expected credit losses		11,714	-
Exchange loss - net		108,123	76,518
		<u>119,837</u>	<u>76,518</u>
21. FINANCE COSTS			
Bank charges		1,833	1,625
		<u>1,833</u>	<u>1,625</u>
22. OTHER INCOME			
Income from financial assets			
Markup on savings accounts	22.1	1,430,748	507,867
Income from non-financial assets			
Gain on disposal of operating fixed assets – net		7,548	18,585
Others		21,874	19,861
		<u>1,460,170</u>	<u>546,313</u>

22.1. This includes Rs 1,326.47 million (2022: Rs 403.81 million) profit earned from bank accounts under profit arrangement with Islamic shariah compliant banks.

23. TAXATION	Note	December 31,	December 31,
		2023	2022
		----- (Rs in thousands) -----	
Current	23.1	1,235,243	1,859,900
Deferred	23.2	-	199,190
Prior	23.1	338,102	214,704
		<u>1,573,345</u>	<u>2,273,794</u>

23.1. The Finance Act, 2023 has introduced certain amendments relating to taxation of companies. As per these amendments, rate of super tax on high earning persons has been enhanced retrospectively from tax year 2023 and onwards. Accordingly, the Company has recognised super tax expense for prior year as well as current year in the statement of profit or loss. Therefore, these include aggregate super tax of Rs 654.83 million (2022: Rs 437.88 million).

23.2. As of the date of the statement of financial position, deferred tax asset amounting to Rs. 418.63 million (2022: Rs. 428.7 million) in respect of decelerated tax depreciation has not been recognized in these financial statements.

23.3. Relationship between tax expense and accounting profit:	December 31,	December 31,	
	2023	2022	
		----- (Rs in thousands) -----	
Profit before taxation	<u>3,373,849</u>	<u>5,003,234</u>	
Tax at the applicable tax rate of 29% (2022: 29%)	978,146	1,450,938	
Net effect of income tax provision relating to prior years	338,102	214,703	
Unrecognized deferred tax asset	(67,082)	428,700	
Effect of super tax relating to current year	316,729	225,442	
Effect of change in rate of deferred tax	-	(27,474)	
Others	7,450	(18,515)	
		<u>1,573,345</u>	<u>2,273,794</u>

Average effective tax rate 47% (2022: 45%)

24. EARNINGS PER ORDINARY SHARE - basic and diluted	December 31,	December 31,	
	2023	2022	
		----- (Rs in thousands) -----	
Profit after taxation	<u>1,800,504</u>	<u>2,729,440</u>	
		----- (No. of shares) -----	
Weighted average ordinary shares in issue during the year	<u>109,153,152</u>	<u>109,153,152</u>	
		----- (Rupees) -----	
Earnings per ordinary share - basic and diluted	<u>16.50</u>	<u>25.01</u>	

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The main risks arising from the Company's financial instruments are credit risk, liquidity risk, foreign currency risk, interest rate risk and equity price risk. No changes made to the objectives and policies during the year ended December 31, 2023. The Board of Directors review and agree policies for managing each of these risks which are summarised below.

Notes to the Financial Statements

For the year ended December 31, 2023

25.1. Credit Risk

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the creditworthiness of counterparties.

Concentrations of credit risk arise when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

The Company is exposed to credit risk on long-term deposits, trade debts, advances to employees, deposits, other receivables and bank balances. The Company seeks to minimise the credit risk exposure by dealing only to customers considered credit worthy and obtaining securities where applicable. The maximum exposure to credit risk on the financial assets of the Company at the reporting date is:

	Carrying Values	
	December 31, 2023	December 31, 2022
	----- (Rs in thousands) -----	
At amortised cost - unsecured		
Advances	66,183	2,007
Trade debts – net	9,533	648,929
Deposits and other receivables	842,691	130,837
Bank balances	5,182,634	5,942,596
	<u>6,101,041</u>	<u>6,724,369</u>

Quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings or the historical information about counter party default rates as shown below:

	Carrying Values	
	December 31, 2023	December 31, 2022
	----- (Rs in thousands) -----	
25.1.1. Trade debts - net		
Customers with no defaults in the past one year	9,533	648,929
Customers with some defaults in past one year which have been fully recovered	-	-
	<u>9,533</u>	<u>648,929</u>

	Carrying Values	
	December 31, 2023	December 31, 2022
	----- (Rs in thousands) -----	
25.1.2. Cash with Banks		
A1+	2,690,310	48,451
A1	214,456	5,894,145
AA-	2,276,620	-
	<u>5,181,386</u>	<u>5,942,596</u>

25.2. Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company applies the prudent risk management policies by maintaining sufficient cash and bank balances and by keeping committed credit lines. The table below summarizes the maturity profile of the Company's financial liabilities at the following reporting dates:

	Carrying Amount Less than 1 year ----- (Rs in thousands) -----	
At amortised cost		
Trade and other payables	924,617	924,617
Unpaid dividends	1,548,450	1,548,450
December 31, 2023	2,473,067	2,473,067
At amortised cost		
Trade and other payables	1,924,087	1,924,087
Unpaid dividends	2,330,418	2,330,418
December 31, 2022	4,254,505	4,254,505

25.3. Foreign Currency Risk

Foreign currency risk is the risk that the value of financial instruments will fluctuate due to a change in foreign exchange rates. It arises mainly where receivables and payables exist due to transactions in foreign currency. The Company is exposed to foreign exchange risk on the following US Dollars denominated trade and other payables:

	December 31, 2023 ----- (US dollars) -----	December 31, 2022
Trade and other payables	1,705,600	2,109,827

The foreign currency exposure is adequately covered as the majority of the Company's billing is determined in US dollars which is converted into Pakistani Rupees at the exchange rate prevailing at the transaction date.

	December 31, 2023 ----- (Rupees) -----	December 31, 2022
Pakistani Rupee to US Dollars	281.86	226.65

The following figures demonstrate the sensitivity to a reasonably possible change in exchange rates, with all other variables held constant, of the Company's profit before tax:

	Change in Exchange rates	Effect on profit before tax (Rs in thousands)
December 31, 2023	± 5%	± 19,329
December 31, 2022	± 5%	± 23,910

25.4. Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of change in market interest rates relates primarily to the Company's financing obligations with floating interest rates. However, as of the reporting date the Company does not have any financing obligations with floating interest rates.

Notes to the Financial Statements

For the year ended December 31, 2023

25.5. Equity price risk

Equity price risk is the risk of loss arising from movements in prices of equity instruments. The Company is not exposed to any equity price risk, as the Company does not have any investment in equity shares as at the reporting date.

25.6. Capital risk management

The primary objective of the Company's capital management is to maintain healthy capital ratios, strong credit rating and optimal capital structures in order to ensure ample availability of finance for its existing and potential investment projects, to maximize shareholder value and reduce the cost of capital.

The Company manages its capital structure and makes adjustment to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amounts of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as total loans less cash and bank balances. Capital signifies equity as shown in the statement of financial position plus net debt. The gearing ratio of the Company as at December 31, 2023 is Nil (December 31, 2022: Nil).

26. FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise of financial assets and financial liabilities. Financial assets consist of long-term deposits, bank balances, advances to employees, trade deposits, other receivables and short-term investments. Financial liabilities consist of trade and other payables, unclaimed and unpaid dividends. The fair values of financial instruments are not materially different from their carrying values.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1:** Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2:** Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3:** Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e., unobservable inputs).

As of the reporting date, the Company does not have any financial instruments carried at fair value that required categorization in Level 1, Level 2 and Level 3.

27. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

27.1. The aggregate amount, charged in the financial statements for the year, is as follows:

	December 31, 2023			December 31, 2022		
	Chief Executive	Directors / Chairman (Non-Executive)	Executives	Chief Executive	Directors / Chairman (Non-Executive)	Executives
	(Rs in thousands)					
Managerial remuneration	45,308	-	116,987	51,557	-	143,663
Provident fund	2,193	-	5,725	2,506	-	6,958
Bonus paid	11,270	-	115,465	11,919	-	47,481
Fee for attending meetings	-	12,349	-	-	10,427	-
	58,771	12,349	238,177	65,982	10,427	198,102
Number	1	7	34	1	7	32

27.2. The Chief Executive and certain Executives of the Company were also provided with the free use of Company maintained cars, club memberships, medical, shares of ultimate parent company and other benefits in accordance with their terms of service.

28. RELATED PARTY TRANSACTIONS

The related parties include the Holding Company, associated companies, and entities having directors in common with the Company, Staff Provident Fund, directors and other key management personnel. Detail of related parties with whom the Company has entered into transactions with or has arrangement / agreement in place during the year along with relationship and transactions with related parties, other than those which have been disclosed elsewhere in these financial statements, are as follows:

28.1. Name and nature of relationship

a) Holding Company

ICTSI Mauritius Limited – 63.99% shares (directly) held in the Company.

b) Associated Companies due to significant influence

Aeolina Investments Limited – 15.71% shares held in the Company
Euroasia Terminal (Private) Limited – 9.37% shares held in the Company

c) Associated companies, subsidiaries, joint ventures or holding companies incorporated outside Pakistan

ICTSI Mauritius Limited - a company incorporated in Mauritius
Aeolina Investments Limited - a company incorporated in British Virgin Islands

d) Associate Company due to common directorship

Bilal Associates (Pvt) Limited

e) Post-employment benefit plan

Staff Provident Fund of the Company

December 31, December 31,
2023 2022
Note ----- (Rs in thousands) -----

28.2. Transactions with related parties

Holding Company

Technical services fee	-	707,305
Dividends paid	1,892,190	1,369,027

Associated companies / other related parties

Terminal handling services and rent	78,530	73,618
Revenue from container handling	16,926	17,235
Dividends paid	658,867	667,260

Key management personnel

Managerial Remuneration	55,162	254,620
Company's contribution to provident fund	14,664	9,464

28.3. Amounts due from and due to related parties, amount relating to remuneration of the Chief Executive and Directors are disclosed in the relevant notes to these financial statements.

28.4. All the transactions with related parties are entered into at agreed terms duly approved by the Board of Directors of the Company.

Notes to the Financial Statements

For the year ended December 31, 2023

		December 31, 2023	December 31, 2022
	Note	----- (Rs in thousands) -----	
29. CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		3,373,849	5,003,234
Adjustments for non-cash items:			
Depreciation and amortisation	4.1.3 & 5.2	725,368	869,726
Accrual for compensated leaves	13.1	3,874	7,913
Exchange loss - net	20	108,123	76,518
Finance cost	21	1,833	1,625
Provision for obsolescence in stores, spare parts and loose tools		192,717	-
Charge for expected credit loss		11,714	-
Markup on savings accounts	22	(1,430,748)	(507,867)
Gain on disposals of operating fixed assets - net	22	(7,548)	(18,585)
		(406,381)	429,330
Operating profit before working capital changes		2,979,182	5,432,564
(Increase) / decrease in current assets			
Stores, spare parts and loose tools		379,104	(86,026)
Trade debts		627,682	(21,974)
Advances, deposits, prepayments and other receivables		(637,240)	(57,669)
		369,546	(165,669)
Increase / (decrease) in current liabilities			
Trade and other payables		(507,407)	617,293
Cash generated from operations		2,841,321	5,884,188

30. PROVIDENT FUND

Investments out of provident fund have been made in accordance with the provisions of the section 218 of the Companies Act, 2017 and the conditions specified thereunder.

	December 31, 2023	December 31, 2022
	----- (Number) -----	
31. NUMBER OF PERSONS EMPLOYED		
Persons employed as of	7	657
Average persons employed during the year	332	675

32. DATE OF AUTHORISATION FOR ISSUE

These financial statements have been authorised for issue on May 09, 2024 by the Board of Directors of the Company.

33. NON-ADJUSTING EVENTS AFTER THE REPORTING DATE

The Board of Directors in their board meeting, held on May 09, 2024, have recommended a final cash dividend of Rs. Nil per ordinary share amounting to Rs Nil for the year ended December 31, 2023. The adjustment for this dividend will be incorporated in the subsequent financial statements of the Company.

34. GENERAL

34.1. Amounts have been rounded off to the nearest thousand rupees unless otherwise stated.



Chief Executive Officer



Chief Financial Officer



Director

Pattern of Shareholding

As at December 31, 2023

Categories of Shareholders	Total Shares held	Percentage
Directors and their spouse(s) and minor children		
Bilal Shahid	1,000	0.00
Associated Companies, undertakings and related parties		
ICTSI Mauritius Limited	69,848,310	63.99
Aeolina Investments Limited	17,155,639	15.72
Enrique Klar Razon	100	0.00
Edgardo Querjero Abesamis	100	0.00
Paul Tameta Salanga	100	0.00
Jose Manuel Mantecon De Jesus	100	0.00
EFG Private Bank (Channel Islands) Limited	770,000	0.71
Euroasia Terminal (Private) Limited	3,226,000	2.96
Synergy Limited	783,500	0.72
NIT and ICP	-	0.00
Banks Development Financial Institutions, Non-Banking Financial Institutions	720	0.00
Insurance Companies	60,600	0.06
Modarabas and Mutual Funds	-	0.00
General Public		
a. Local	13,018,489	11.93
b. Foreign	1,065,789	0.98
Foreign Companies	2,238,231	2.05
Others	984,474	0.90
Totals	109,153,152	100.00

Categories of Shareholders	Shares Held	Percentage
Shareholders holding 10% or more		
ICTSI Mauritius Limited	69,848,310	63.99
Aeolina Investments Limited	17,155,639	15.72

Pattern of Shareholding

As at December 31, 2023

No. of Shareholders	Total Shares		Share holdings Held
	From	To	
1229	1	100	56,799
1347	101	500	441,713
1347	501	1000	1,109,387
1301	1001	5000	3,277,338
284	5001	10000	2,229,873
88	10001	15000	1,102,140
53	15001	20000	982,301
34	20001	25000	787,100
21	25001	30000	593,120
8	30001	35000	250,700
4	35001	40000	158,000
6	40001	45000	251,600
7	45001	50000	346,500
2	50001	55000	105,900
5	55001	60000	290,200
2	60001	65000	121,200
2	65001	70000	132,784
1	70001	75000	74,000
2	75001	80000	160,000
1	80001	85000	84,000
3	90001	95000	277,800
3	95001	100000	296,500
1	100001	105000	103,500
1	105001	110000	109,400
1	115001	120000	120,000
1	130001	135000	133,300
1	145001	150000	150,000
1	160001	165000	165,000
1	185001	190000	185,400
1	260001	265000	262,400
1	275001	280000	276,665
1	495001	500000	500,000
1	765001	770000	770,000
1	780001	785000	783,500
1	2235001	2240000	2,235,083
1	3225001	3230000	3,226,000
1	17155001	17160000	17,155,639
1	69845001	69850000	69,848,310
5766			109,153,152

Glossary








Board:	Board of Directors
CEO:	Chief Executive Officer
CSR:	Corporate Social Responsibility
ICAP:	Institute of Chartered Accountants of Pakistan
ICTSI:	International Container Terminal Services Inc.
IFRIC:	International Financial Reporting Interpretations Committee
ISO:	International Organisation for Standardization
KPT:	Karachi Port Trust
NIT:	National Investment Trust Limited
PICT:	Pakistan International Container Terminal Limited
PSX:	Pakistan Stock Exchange
SECP:	Securities and Exchange Commission of Pakistan
SRB:	Sindh Revenue Board
SRO:	Statutory Regulatory Order










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